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# INTERNATIONAL HERALD TRIBUNE

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Algeria	4.00 Dz.	Tunisia	15.1/100 Dz.	Norway	7.00 Nkr.
Austria	1.00 S.	Iraq	1/100 Dz.	Denmark	4.00 Kr.
Bahrain	0.60 Dz.	Jordan	1/100 Dz.	Portugal	90 Esc.
Belgium	4.50 Ffr.	Kuwait	500 Dz.	Costa Rica	6.50 Col.
Canada	C \$1.50	Kuwait	500 Fr.	Rp. of Ireland	70 P.
Cyprus	C £1.70	Liberia	0.10 Dz.	South Africa	4.00 R.
Djibouti	0.60 Dz.	Malta	1/100 Dz.	Egypt	1.00 L.
Egypt	1.75 P.	Morocco	1.00 Dz.	Saudi Arabia	7.00 S.A.
Falkland	2.00 F.L.	Luxembourg	45 Lfr.	Sweden	2.00 Kr.
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Nov. 31, 1985 49/85

ESTABLISHED 1887

## Americans Were at Malta Raid 2 U.S. Officers Flew in Egyptian Troops' Plane

By Loren Jenkins

Washington Post Service

VALLETTA, Malta — At least two senior U.S. military officers traveled here with an Egyptian commando unit that stormed a hijacked passenger jet in an attack

ON PAGE 5

■ The Maltese are investigating a report of another accomplice, the EgyptAir jet's pilot says.

■ Pressure grows on Egypt to retaliate against Libya.

Nov. 24 with heavy loss of life, according to an authoritative source close to the operation.

The U.S. officers, who reportedly belonged to the U.S. military mission in Cairo and who included a general, arrived with the Egyptian commandos and were present at the commandos' operational headquarters at Malta's Luqa International Airport during the assault on the EgyptAir Boeing 737, according to this official and to diplomatic sources. A total of 60 persons died during the hijacking, 57 of them in the assault.

The United States has sought to keep secret the presence of the officers in Malta for reasons that are not clear. In Washington, a State Department spokesman, Charles E. Redman, declined comment.

The authoritative source in Malta said, without elaborating, that the officers had provided "technical assistance" to the Egyptian operation.

In Washington, sources confirmed Saturday that a general and colonel traveled with the commandos but contended that they provided no technical assistance and did not participate in the assault.

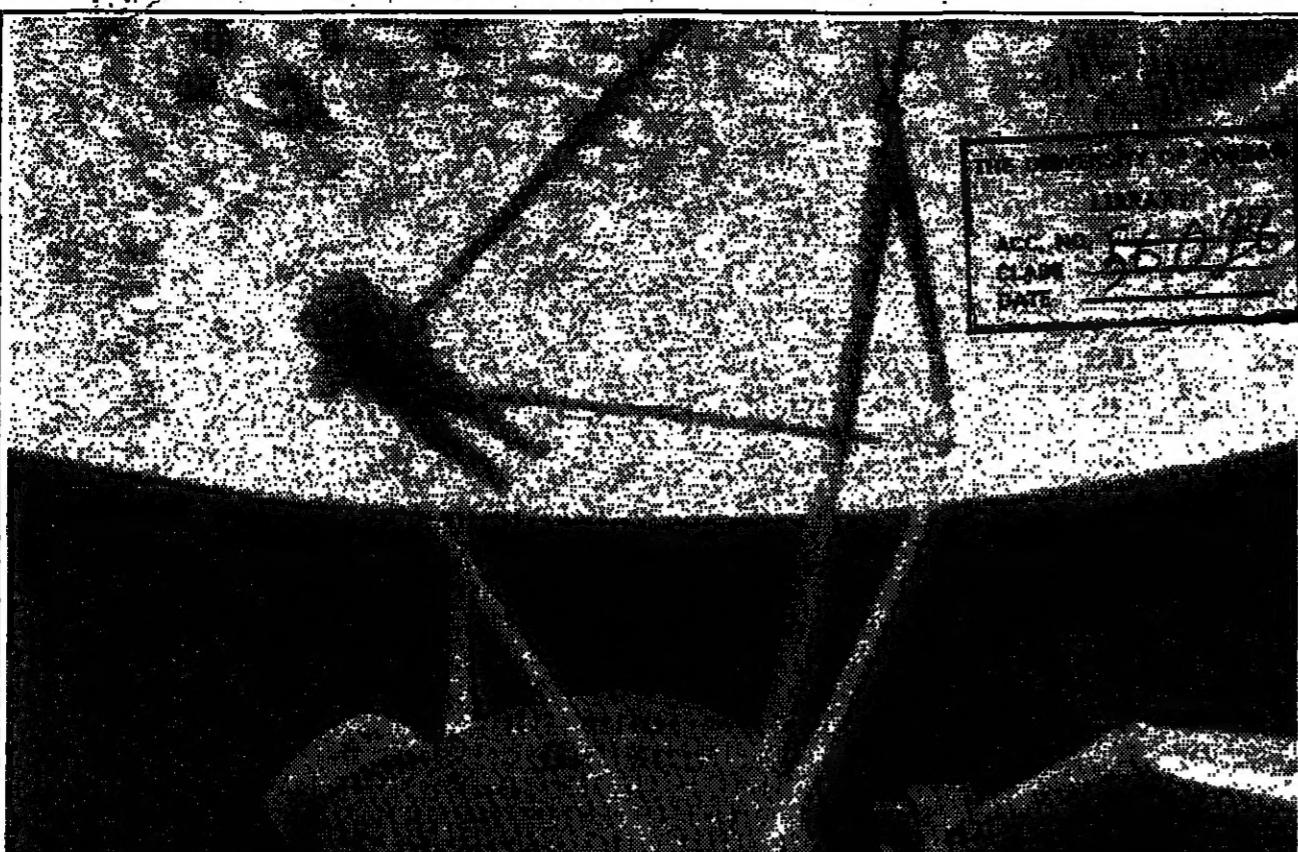
There were suggestions of Pentagon unhappiness that army officers with no specialized knowledge of such operations went along on the commando raid.

The U.S. Embassy in Cairo declined comment Sunday on the report that Americans accompanied the commandos. The Associated Press said: Colonel Hussein Marash, an Egyptian Defense Ministry spokesman, said, "Our information is that there was nothing about them."

The arrival of U.S. officers in full battle dress, an unanticipated development for Maltese officials, led to an angry dispute between U.S. and Maltese officials at the airport and may have contributed to Malta's failure to allow another U.S. military team to arrive in time to aid the Egyptians.

From evidence emerging in Malta and Washington, it appears that the U.S. role involved direct assistance — both in equipment and personnel — to the Egyptian commandos. An aircraft carrier, the Coral Sea, was ready to provide air cover for the Egyptians if needed.

(Continued on Page 4, Col. 5)



A Construction Project Out of This World

Floating in space with Earth in the background, Major Jerry L. Ross assembled beams into pyramid shapes to practice techniques that could be used to construct a space station in the

early 1990s. Major Ross and Lieutenant Colonel Sherwood C. Spring worked outside the shuttle Atlantis on Friday and Sunday to study the manipulation of unwieldy objects in space. Page 3.

## No Major Change Expected at EC Summit

By Steven J. Dryden

International Herald Tribune

LUXEMBOURG — European Community leaders, who open a two-day summit meeting Monday, are expected to approve only minimal reforms of the community's founding treaty, EC officials said.

The 10 member states remained divided Sunday over whether to revise the Treaty of Rome, the community's 1957 founding document, and what kind of changes should be made.

A special inter-governmental conference on reform, called by the leaders of the community states in June, has produced a limited package of measures for consideration at the summit meeting.

The main areas of reform under consideration include:

• The greater use of majority voting instead of the current requirement for unanimity, especially regarding the removal of obstacles to trade between member states.

• Increased powers for the European Parliament and the EC Commission.

• Closer coordination of monetary policy.

• Strengthening the technological base of European industry.

Among the proposals that have gained the most support is one for a separate treaty that would formally adopt the current ad hoc arrangement for coordinating the member states' foreign policy.

Mr. Delors, president of the EC Commission, said last week that the proposed changes are "not enough to even ensure the survival of Europe as a continent that matters in this world."

Other problems are not as easily solved in appliance stores in any given West European country, television sets for sale generally include a half dozen models made by Thomson. But the company has to manufacture more than 50 models to export even this selection through the maze of safety regulations and incompatible

heads of 27 leading European companies wrote to the EC leaders over the weekend urging them to make a clear commitment to remove all internal barriers to trade by 1992.

The industrialists, including the chairmen of Fiat, Thorn-EMI PLC, Siemens AG and Thomson SA, said that the summit meeting must produce "concrete results" rather than vague declarations.

A possibility of agreement on even a limited number of measures at the summit meeting, however, remained uncertain. Advocates of

greater reform such as Italy have said that they prefer not to approve only a modest package.

Denmark's minority government appears unable to support any of the proposals for change.

The summit meeting will be the last opportunity before the entry of Spain and Portugal into the community next month for the EC leaders to take action on the question of decision-making.

As the community has grown in size from the original six members, many officials have observed that

(Continued on Page 5, Col. 1)

## At 28, EC Is Still Far From a Common Market

By Joseph Fletcher

International Herald Tribune

BRUSSELS — The standard electric plug for a television set in France has two capped prongs and a hole for the grounding rod. In West Germany, the plug has two uncapped, slightly larger prongs without a hole for the ground. In Italy it has two prongs either flat or round, depending on the wiring of the user's home. In England the plug is triangular, with three beveled prongs, and it carries a built-in fuse.

None of this is a supply problem for Thomson, the French electronics giant that exports more than a million television sets a year throughout the Common Market. Its solution is to ship the sets without plugs so that national distributors can outfit them for local sockets.

Other problems are not as easily solved in appliance stores in any given West European country, television sets for sale generally include a half dozen models made by Thomson. But the company has to manufacture more than 50 models to export even this selection through the maze of safety regulations and incompatible

technical norms in the Common Market, according to Ronald Huck, Thomson's television product manager.

"Changing even the wording on a guaranty card accompanying the set in a particular country complicates packing, labeling and warehousing and shipping," Mr. Huck said in his office in Paris.

All this costs money. Inventories have to be larger and more expensive at a time when companies in Japan are saving money by emphasizing low-inventory manufacturing practices.

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Philips, the Dutch-based multinational, television sets for sale generally include a half dozen models made by Thomson. But the company has to manufacture more

## 34 Black Unions Join Forces, Challenge Botha Government

By Allister Sparks  
*Washington Post Service*

DURBAN, South Africa — Thirty-four black unions joined forces here this weekend to form the biggest labor organization in South Africa.

They committed the new organization to play an activist role in the black struggle against apartheid, South Africa's system of racial separation.

At an inaugural rally Sunday, the previously apolitical unions declared their support for a policy of curbing foreign investment in South Africa and put the government on notice that if it did not abolish the laws that compel blacks to carry passes within six months, they would begin a defiance campaign and call on members to burn their passes.

Another big rally of blacks in Port Elizabeth agreed Sunday to suspend a boycott of white-owned shops in that city, but warned that if Nelson Mandela and other imprisoned black leaders were not released by April, and outlawed

black political movements legalized, the boycott would be resumed.

The formation of the new union federation just six years after black trade unionism was legalized, has been described as a milestone event that could change South Africa's economic and political fabric.

The federation's member unions, with a joint membership of about 500,000, are considered the best organized in the fledgling black labor movement. They span the vital mining, metal, food, retailing and transport industries.

However, black labor organizations with about 200,000 members following the philosophy of black consciousness remained outside the new federation because they opposed its racialist stance and wanted to see whites barred from leadership positions.

Nevertheless, the federation, called the Congress of South African Trade Unions, appears to be in a position to back its demands for political reforms with a range of

strikes that could paralyze the South African economy.

"With the economy already reeling from the impact of the township unrest and increasing pressure for international sanctions, this additional black muscle poses a direct challenge" to the government of President Pieter W. Botha, said John Maree, a specialist in labor affairs at Cape Town University.

When black unionism was first allowed, most of the new unions decided to avoid politics. Although they declared their rejection of apartheid, they feared they would be crushed in infancy under South Africa's stringent security laws if they became politically active in opposing it. They decided to concentrate first on building up their shop-floor strength.

But they have come under increasing pressure to play a more active role over the past year, as unrest in the townships and violent clashes with riot police have radicalized many of their members.

The unrest also provided the catalyst for unification, which had been the subject of negotiations between the unions that had sparred for nearly four years.

At Sunday's rally the federation's newly elected leaders delivered fiery political speeches and about 10,000 unionists jogged around a sports stadium with colorful banners, singing freedom songs and chanting black nationalist slogans.

To wild cheers from the crowd, the president of the new federation, Elijah Barayi, called on Mr. Botha to resign as president and "make way for the real leader of the people, Nelson Mandela," the imprisoned leader of the illegal and exiled African National Congress.

The rally Sunday was similar to the big political rallies that have been the focal events of black activism in the townships, which the police now usually either ban or break up. Sunday, however, the police watched from a distance.

In a display of the economic muscle that the new union movement feels it has, Mr. Barayi, 60, wagged a finger at the watching police contingent and shouted: "I want to tell you that you will not arrest one soul at this meeting today. If you have come to provoke trouble, then you will get what you are asking for."

Emphasizing that the new union federation would not confine itself to wage negotiations but intended to play a leadership role in black politics and community affairs, Mr. Barayi said: "We are going to give a lead." The federation "is going to govern this country," he added.

Elijah Barayi, who was elected president of the newly formed Congress of South African Trade Unions, being carried Sunday by workers at a labor rally in Durban, South Africa.

## Black Nationalists Say Goals Are in Sight in South Africa

(Continued from Page 1)

lion to the group last year, is the largest foreign donor, Mr. Schiba said.

Getting weapons into South Africa has been very difficult, African National Congress officials acknowledge. "The main problem is transit distances," said Simon Makana, a member of the executive committee.

South African officials in Pretoria say the bulk of the group's weapons and training are supplied by the Soviet Union and its allies.

Some diplomats in Zambia say the success of South African intelligence efforts has severely hampered African National Congress activities. James Stuart, another executive committee member, acknowledged that scores of infiltrators from the South African

intelligence forces had been discovered in the last year.

Also within the last year, the Reagan administration has initiated quiet, informal contacts with the African National Congress in Lusaka. "Basically," Mr. Stuart said, "what they have said is there should be some kind of dialogue, some kind of contact. They made the approach."

African National Congress officials seem confident about their chances of success. With that confidence has come a softening of their public posture on negotiations with Pretoria.

Publicly, the organization has dismissed any suggestion that it would consider a federation in South Africa that would involve certain guarantees for the white minority, as is the case in Zimbabwe where a percentage of parliamentary seats is reserved for whites.

"We are not going to pander to the bigotry of whites," said Fallo Jordan, a member of the executive committee. "Look, the whites in Kenya have not been driven into the sea. The whites in South Africa have nothing to fear either. One is going to negotiate at some point, but we are not going to concede to any pockets of white privilege. One person, one vote is nonnegotiable in a unitary South Africa."

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## WORLD BRIEFS

### Argentina, Brazil Ask for Debt Talks

TANCREDO NEVES BRIDGE, Argentine-Brazilian border (Reuters) — The presidents of Argentina and Brazil have called for political negotiations on Latin America's \$360 billion foreign debt.

At a ceremony Saturday, President Raúl Alfonsín of Argentina and President José Sarney of Brazil met for the first time at the opening of the Tancredo Neves bridge, about 650 miles (1,040 kilometers) northeast of Buenos Aires on the Iguazu River. The bridge is named after the Brazilian president-elect who died in April before he could take office.

The Brazilian leader said after the inauguration of the bridge that Latin American countries should negotiate with creditor countries to reconcile their common interests. Mr. Alfonsín said the region should impress on its creditors that the austere economic remedies they were trying to impose were impractical.

### Oil Is Still Flowing, Khomeini Says

LONDON (Reuters) — Ayatollah Ruhollah Khomeini, the Iranian leader, said his country's main oil-export terminal at Kharg Island was still operating despite repeated Iraqi attacks. Tehran radio reported.

"I don't know how many times Kharg Island can be destroyed, because they say time after time that they have razed Kharg to the ground," he was reported as saying Saturday.

The radio report, monitored in London, quoted him as saying: "The export of oil is still flowing in the same way as in the past." Iraq says that its planes have attacked Kharg Island 44 times since mid-August.

### Ex-Rhodesian Politician Is Murdered

HARARE, Zimbabwe (Reuters)

Douglas C. Lilford, a leading figure in the politics of Rhodesia in the 1960s and 1970s, was found murdered on his farm near Harare early Saturday, police said. The motive for the killing was not known.

Mr. Lilford, 77, helped Jan Smith found the Rhodesia Front party in 1962 and then helped him to become prime minister from 1964 to 1979 before the advent of black-majority rule in the country, now called Zimbabwe.

Mr. Lilford, one of the wealthiest people in Zimbabwe, retired from politics three years ago. Throughout Rhodesia's illegal independence from Britain between 1965 and 1979, he opposed every constitutional proposal that offered political power to black people.



Douglas C. Lilford

### Police, Workers Guard Japanese Rails

TOKYO (NYT) — Several thousand riot policemen and rail workers were guarding train stations and other installations of the Japan National Railways over the weekend to prevent a recurrence of the sabotage that shut 23 commuter lines Friday.

They chanted, "Crush the U.S.-Marcos dictatorship" and painted slogans on walls calling for "Revolution, not elections."

The Philippine opposition spans the political spectrum and includes businessmen, church leaders, labor organizers and conservative politicians frozen out of positions of influence. It has been unable to close ranks against Mr. Marcos, who is in his 20th year of power.

Emotions have run high in the opposition camp. Earlier this month, Cecilia Mimio-Palma resigned as chairman of the National Unification Committee, an opposition umbrella group. She reportedly had had a heated dispute with Mr. Laurel.

Her successor, Francisco Rodriguez, announced last week that the demonstration marched Saturday toward Mr. Marcos's official residence but were stopped a few blocks away by riot police.

They chanted, "Crush the U.S.-Marcos dictatorship" and painted slogans on walls calling for "Revolution, not elections."

A separate group of about 700 people demonstrated outside the gates of the U.S. Embassy, protesting U.S. military and economic assistance to the Marcos government.

Speakers at the two rallies described the proposed election as a trick by Mr. Marcos's "U.S. imperialist masters" to improve the president's image.

Police in Angeles, 50 miles (80 kilometers) north of Manila, said there also were demonstrations there against American involvement in the Philippines, including one near Clark Air Base.

Japanese police have focused their investigation on a band of leftist extremists known as the Chukaku-ha, or Middle Core faction.

### For the Record

Three Armenians were charged in Paris on Saturday with possessing arms and explosives. Police said they were Monte Melkonian, leader of the moderate Armenian National Movement; Zibour Kasbar, a woman member of the group, and Benjamin Kechechian, a journalist. (Reuters)

The Liberal Party in Quebec is favored in Monday's legislative elections and is likely to end nine years of rule by the Parti Quebecois, according to opinion poll results published over the weekend. (Reuters)

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## AMERICAN TOPICS

## Astronauts Finish Tasks Faster Than Expected

By Thomas O'Toole  
*Washington Post Service***WASHINGTON** — Two American astronauts aboard the space shuttle Atlantis have practiced construction techniques that will be needed to build a permanent orbiting station 230 miles (372 kilometers) above Earth.

On spacewalk Sunday and Friday, Major Jerry L. Ross of the air force and Lieutenant Colonel Sherman C. Spring of the army performed tests to help space engineers understand some of the problems that might arise in assembling a space station projected for 1993.

[They completed the tests in a five-hour exercise Sunday using the shuttle's robot arm as an orbital cherry picker.] United Press International reported from Cape Canaveral, Florida. The test was aimed at exploring alternate methods of construction using the ship's 50-foot (15.2-meter) mechanical arm to move a man to maneuver宇航员 workers who service street lights and overhead wires.]

During the spacewalk on Friday, the astronauts assembled 93 aluminum struts and 33 joints into a 45-foot tower in a little more than 40 minutes. After breaking down the tower and stowing the parts, they assembled a 400-pound (181-kilogram) inverted pyramid out of six 12-foot aluminum beams.

Working without tools, they built the pyramid and broke it down eight times, twice more than scheduled and in less time than they were allotted for six assemblies.

At the end of their task, the astronauts were assembling the pyramid in nine minutes and breaking it down in less than six minutes — three minutes faster than the first assembly and disassembly.

They did in four hours a job they were given more than five to complete.

Television views at National Aeronautics and Space Administration headquarters in Washington showed the astronauts trading places twice while they worked.

They appeared in almost complete control of a job that had never been done before in space.

The astronauts, working in light and darkness as they circled Earth, said they found the tasks a little harder when under floodlights on the dark side of the planet.

When they built the tower, the astronauts faced each other in fixed positions, anchored with foot restraints. After putting together one of the lower bays, they slid it upward on guide rails to start work on the next bay.

Once, Colonel Spring hit his feet against the tower, and once Major Ross hit a switch with his hand that turned on a light by mistake. Those were the only accidental moves during the exercise.

When constructing the pyramid, the astronauts got out of their foot restraints and attached themselves to tether so they could float freely around the space shuttle's cargo bay. Major Ross stayed near the floor while Colonel Spring floated about 12 feet above it.

The shuttle landing is scheduled for Tuesday at Edwards Air Force Base, California.

*Compiled by ARTHUR HIGBEE*

## APPEAL

to

## ALL MEMBERS OF THE MELKITE CATHOLIC COMMUNITIES IN BRITAIN, FRANCE AND ALL OTHER COUNTRIES OF EUROPE

An International Melkite Catholic Union (IMCU) has been founded recently in London, of which Patriarch Maximos V Hakim is President. The birth of IMCU was witnessed at a meeting (16-19 Nov.) by representatives of the Melkite Catholic communities in Britain, France, the U.S.A., Canada and Brazil.

The purposes of IMCU aim at, inter alia, promoting the spiritual and cultural welfare of all members of the Melkite Catholic Church, and encouraging all its members to stand for human dignity in the world, justice and care for the suffering.

IMCU hereby appeals to all members of the Melkite Catholics in Britain, France and all other countries of Europe to join the Union by completing the application form below and mailing it to the following address:

**I.M.C.U.**  
65 Coleherne Court,  
Old Brompton Road,  
LONDON SW5 0EF

The above is a liaison address which can also be reached by Tel. 629 6571 (London) between 10 a.m. and 5 p.m., Monday - Friday.

## IMCU MEMBERSHIP APPLICATION FORM

Applicant's name: \_\_\_\_\_

Place of birth: \_\_\_\_\_ Date of birth: \_\_\_\_\_

Family status: \_\_\_\_\_ Occupation/Profession: \_\_\_\_\_

Address (for correspondence): \_\_\_\_\_

Signature: \_\_\_\_\_

## In U.S., Private Guards Widen Role in Public Safety

By Martin Tolchin  
*New York Times Service***WASHINGTON** — Thousands of private security guards are taking over some of the police functions of federal, state and local authorities around the country.

The movement into government work marks an important departure from the role guards have long taken in protecting industrial and commercial property.

Security industry officials say their services save taxpayer money by avoiding red tape and trimming government employees. "We free sworn police officers to concentrate on more important law enforcement activities," said George Zoley, vice president of government services for Wackenhut Corp., one of the largest U.S. private security companies.

But critics say hiring standards and training programs of private security concerns are far less strict than those of public agencies. They also say private agents are not subject to the same controls as public officers. Finally, they say law enforcement issues of life and liberty are too important to be left in private hands.

Private guards, including some neighborhood guards, have been involved in assaults, shootings, vandalism, burglaries staged to attract clients and burglaries of citizens' properties. Industry leaders agree the field needs stricter regulation and licensing requirements.

But the use of private guards by government agencies continues to grow, largely because they cost much less than public law enforcement agents.

"We are witnessing a fundamental shift in the area of public safety," said James K. Stewart, director of the National Institute of Justice, the research arm of the Justice Department. "It's not a loss of confidence in the police, but a desire to have more police."

Private guards, in blue blazers and dark trousers and depurated like members of posse in the old West, serve as U.S. marshals in federal courthouses.

Others, wearing uniforms and badges nearly indistinguishable from those worn by public law enforcement officials, guard military bases and airports. Still others, in army-style fatigues and black ski

masks, guard nuclear facilities of the Department of Energy.

On the local level, private guards protect city halls and other public buildings in such cities as Seattle, Denver and San Francisco. They guard public housing projects and sports arenas, direct traffic, patrol parks and parking lots and help local police investigate crimes.

More residents of wealthy neighborhoods are hiring security guards to augment local law enforcement efforts. A handful of communities have even dismissed their entire police departments and contracted with private companies for all law enforcement services.

Private law enforcement is not new in the United States. Until the nation's first police department was formed in New York City in 1844, "law enforcement was in the hands of the private sector," said Lawrence Sherman, professor of criminology at the University of Maryland. "Basically, the only way people got apprehended was in response to economic incentives," such as bounties, he said.

Even after law enforcement was well established as a public responsibility, private guards continued to find work protecting industrial and commercial establishments such as factories, warehouses, department stores, hospitals, hotels and con-

struction sites. These remain the industry's mainstays.

Today, however, work for government agencies and the protection of residential communities are the industry's fastest-growing sectors.

About 36,000 of the nation's 1.1 million private guards work for government; 11,000 for the federal government, 9,000 for states and 16,000 for local governments.

At the federal level, the use of private guards reflects the Reagan administration's commitment to reducing the size of government by turning to private industry for services formerly performed by federal employees.

On the local level, this trend reflects the cut in federal funds available to communities, and opposition to tax increases to pay for government services.

The number of private security guards increased by 50 percent over the last 10 years, according to a study commissioned by the National Institute of Justice.

For example, there are 60,000 state and local public law enforcement officers in New York, but state and industry officials estimate private guards outnumber them by more than two to one in Texas, where there are 36,000 public law enforcement officers, the ratio is five to one, the nation's highest.

"Corporations are developing huge, private, gun-carrying armies," said Hubert Williams, former public safety director of Newark, New Jersey, and president of the Police Foundation, a research group. "This raises questions about the very nature of the republic."

Stephen S. Trott, chief of the Justice Department's criminal division, attributed the increase to the widely held belief that federal, state and local authorities do not provide adequate protection.

His major concern, he said, was that "you'll find people in the private security industry carrying guns who themselves had serious criminal records." He added, "Occasionally, private security picks up the people who law enforcement agencies won't take."

Indeed, the New York State Investigation Commission found in 1983 that two-thirds of private guards in the state had arrest records. Connecticut state police found last year that four of every 10 applicants had arrest records. In both states, most arrests were for minor charges that were dismissed.

But several industry officials said their clients were less concerned with guards' records than with what their services cost.

"Some clients aren't willing to pay more than the minimum

wage," said E.J. Criscuoli, executive vice president of the American Society for Industrial Security. "When you go to that labor market pool, you're likely to get some individuals who've had some brushes with the law."

Critics also see serious philosophical and ethical problems when public safety becomes a matter for private enterprise.

"There's a conflict between the police officer's role to catch criminals and the private security officer's role to please his employer," said William E. Cunningham, president of Hallcrest Systems, a law enforcement management consulting company.

Critics assert that private guards often do not report crimes at shopping malls, factories or elsewhere because their owners do not want them to become known as dangerous places. Employers may direct guards not to report white-collar crimes to law enforcement agencies.

Further, Mr. Cunningham said, there were "grave concerns" about the ability of most police departments to investigate corporate crime, such as computer crime, commercial bribery or industrial espionage.

Courts have ruled that security guards for private companies are not subject to the constitutional constraints that restrict public law enforcement officers.

Unlike private guards working for government agencies, who are held to the stricter standards, private guards working for private companies need not inform crime suspects of their constitutional rights or obey the Fourth Amendment's restraints on searches.

For example, the New York Court of Appeals held that private guards at Bloomingdale's department store in Manhattan were not required to tell a man accused of shoplifting that he had the right to remain silent.

Critics also cite the equity issue that increasingly arises as residents of wealthy neighborhoods employ private guards, and just as some educators fear the growth of private schools will reduce support for public education, critics of private law enforcement fear its growth will erode public support for tax-poor police.



The New York Times



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Business takes off with Falcon

## CIA Analyst Gave China Top Secrets, Official Says

By Philip Shonan  
New York Times Service

WASHINGTON — A former analyst for the Central Intelligence Agency is thought to have given China many of the CIA's top-secret reports on the Far East written over the last 20 years, a Reagan administration official has said.

The official said Friday that the government believed that the analyst, Larry Wu-Tai Chin, 63, had access to nearly all these documents. He said that Mr. Chin was one of the intelligence agency's most experienced Chinese-language translators and was involved in distributing CIA reports to the White House and other federal agencies.

Another administration official said that Mr. Chin might have provided the Chinese with detailed information about American policy in the Vietnam War. According to the Federal Bureau of Investigation, Mr. Chin has confessed to spying for the Chinese since at least 1957.

Intelligence officials have been unable to explain how a CIA employee might be able to spy for so long without detection.



Larry Wu-Tai Chin

## Israelis Apologize To U.S. in Spy Case

(Continued from Page 1)

about the covert Israeli activity, the radio reported.

Mr. Perez's statement also failed to address two demands made by the U.S. government: the return of secret documents allegedly stolen by Mr. Pollard and sold to his Israeli contacts, and the right of U.S. law enforcement officials to question two Israeli diplomats who returned last week to Israel after being named as the contacts in the United States.

Mr. Perez's pledge to dismantle the "unit involved in this activity" was the first public reference by the Israeli government to an anti-terrorism intelligence-gathering unit within the Defense Ministry. According to informed Israeli sources, the unit directed espionage activities in Washington.

The official said that Mr. Chin often was involved in analyzing sensitive intelligence material gathered from China. By learning where the material had come from, the official said, Mr. Chin could help Chinese agents identify the sources of the information.

At a court hearing last week, an FBI agent testified that the Chinese needed two months to translate each shipment of material from Mr. Chin. His information was considered so valuable, the agent said, that Mr. Chin's identity was revealed to only a few people in China's intelligence services.

Both of the Israeli science attachés who were recalled after Mr. Pollard's arrest, Ilan Ravid and Yoef Yagur, were attached to an overt science and technology data-gathering office also headed by Mr. Eitan, official Israeli sources said. The office is called Lekem, a Hebrew acronym for Science Liaison Be-

gin.

Mr. Whitton was involved in a riot after a game that he had not attended. Violence at soccer games has been widely denounced as a national disgrace since May, when a riot by Liverpool fans at a game in

## U.K. Sentencing: A Rioter Gets Life, a Killer, 6 Years

By Joseph Lelyveld  
New York Times Service

LONDON — When a rowdy football fan named Kevin Whitton was sentenced to life imprisonment recently, members of Parliament and editorial writers outdid one another in praise for the judge. When a former philosophy student named Nicholas Boyce got six years in jail, no one bothered to comment on the sentence.

Yet by the standards of most societies, including Britain's, Mr. Boyce's crime far exceeded Mr. Whitton's in its consequences and grossness.

The details might almost be characterized as unmentionable, except that they were reported in even the most highbrow newspapers in grisly detail. Having strangled his wife, Mr. Boyce hacked her body into small pieces, some of which he cooked, in order, it was explained to the jury, to make them look like leftovers from a "Sunday lunch." The remains were then distributed at various points around London.

Mr. Whitton was involved in a riot after a game that he had not attended. Violence at soccer games has been widely denounced as a national disgrace since May, when a riot by Liverpool fans at a game in

Brussels provoked a panic in which 38 persons died. The life sentence on a charge of "riotous behavior" clearly was intended to be exemplary.

Reports on the case emphasized an assault on an American bartender at a pub. The attack was carried out with a broken glass by a gang that included Mr. Whitton, who previously had been jailed for barroom brawling. The bartender was badly cut in the face, but that assault had nothing to do with the life sentence; it gave rise instead to a concurrent sentence of 10 years.

"It is exactly right that brutal and mindless violence should attract a violent sentence," said Robin Corbett, a Labor member of Parliament.

Geoffrey Dickens, a Conservative, said: "The country could be strengthened out in a year if judges move in with hobbled boots like this instead of imposing carpet-bagger powder-puff sentences."

The contrast between the two cases — each tried at the Old Bailey, the main criminal court in London — illustrates the comparatively large discretion on sentencing left to British judges by criminal laws that traditionally have set maximum but not minimum sentences. The possibility of

gaping disparities and the lack of consistent standards have troubled some legal scholars. But calls for change have been blocked by the British judiciary's proud insistence on its independence.

Two years ago, Andrew Ashworth, a fellow of Worcester College at Oxford University and the editor of the Criminal Law Review, called in a widely noticed scholarly work for the creation of a sentencing council to lay down guidelines. Such a council, he suggested, could be chaired by the lord chief justice and made up of scholars, probation officers and prison officials as well as magistrates.

Mr. Ashworth attributed the dearth of guidelines to "the English habit of muddling along without being explicit" and contended that "the sentencing process is a disgrace to the common-law tradition."

But he now acknowledges that sentencing has not remained a live issue. "Clearly, it didn't meet the judiciary's desires," he said.

Consistent standards could result in a stiffening of sentences, especially when it comes to homicides. British law makes a life sentence mandatory on murder convictions and leaves it up to juries to draw the distinction between murder and man-

slaughter. Often juries bring in a finding of manslaughter, which can result in a life sentence but often produces something much lighter.

On the same day that Mr. Whitton was sentenced to life in prison for "riotous behavior," an Old Bailey judge sentenced a white youth named Martin Newhouse to six and a half years in jail for stabbing a young black to death in a street fight and "causing an affray."

Black groups, calling the killing racially motivated, had demanded a severe and exemplary sentence. The judge warned them that they might make themselves liable to contempt charges.

Mr. Boyce, the student who killed his wife, took advantage of a British legal tradition that treats domestic violence relatively lightly when it is charged that the slain spouse helped to raise the level of domestic tension. He testified that his wife, Christabel, had cast slurs on his manhood and provoked him by breaking his pipes.

In passing sentence, the judge said that Mr. Boyce was devoted to his children and that "a man of reasonable self-control might have been similarly provoked and might have done what you did."

## Mrs. Marcos Chides Critics, Election Rivals

(Continued from Page 1)

**M**ARCOBOL, the world, you might say a Marcos-Marcos ticket is off the market, he said the other day. "But politics in the Philippines is seldom rational."

He added, "No one else has the political fund of gratitude and good will that she has, to boost a candidacy. She stands guardian over the whole reservoir of political debts."

Mrs. Marcos dismissed some of her potential political rivals by saying they were motivated by "just simple little self-interest."

She was asked about the perception that Corazon Aquino, widow of Benigno S. Aquino Jr., the assassinated opposition leader, represents a moral cause that could sweep the widow to power in an election.

"Moral cause, ha, ha, ha," she said. "What a big, noble name like moral cause, for one interest. We don't do here," she said.

Mrs. Marcos also asserted that disinformation was being spread by people using her own telephone and impersonating her voice. "It's terrible what we have discovered," she said.

She was vague about the possible source of the wiretapping that she believed was taking place, but said private conversations had later appeared in public.

"Anything of real security, we don't do here," she said.

Mrs. Marcos had broad opportunities to put her philosophy into action.

In what appeared to be a summary of some of her thoughts on life, Mrs. Marcos said at one point: "They say that after the reach for beauty, for money and power is the reach for beauty, for beauty is love and real and the spirit of love is God. In the state, an active state of duty, love and god is happiness. A passive state of beauty, love and God is peace."

"One of the good things about what little I know is that I am basically humble, basically humble," she said.

## DOONESBURY



## U.S. Officers Reportedly Witnessed Malta Raid

(Continued from Page 1)

or, as Prime Minister Carmelo Mirand Bonnici indicated, to intercept the hijacked plane if it left Malta.

Neither the U.S. Embassy in Valletta nor the Maltese government would confirm or deny the

presence of U.S. military officers with the Egyptians. But sources said they had talked to the U.S. officers at the airport building where the Egyptian commandos had set up their headquarters after flying from Cairo.

Other sources confirmed reports

that a second U.S. military team had sought to fly to Malta from Europe to provide assistance to the Egyptian commandos but failed to arrive in time because of the hesitation of a nervous Maltese government.

Sources in Washington said that the United States dispatched its special counterterrorist team known as the Delta Force from Fort Bragg, North Carolina.

U.S. government sources said that President Hosni Mubarak of Egypt had requested the Delta Force. He has denied this.

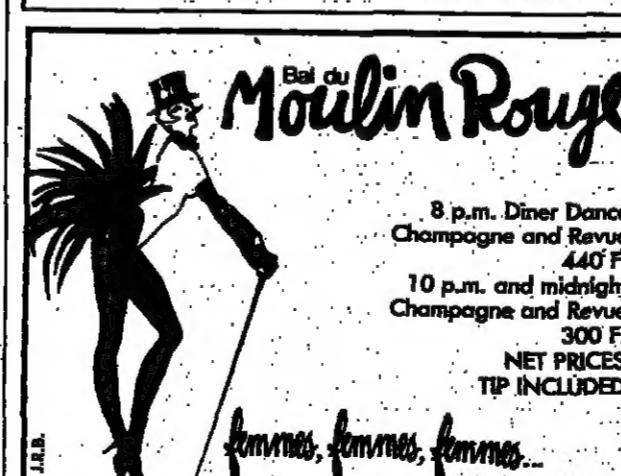
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## Latin American Bishop, At Synod, Denounces Liberation Theology

By E.J. Dionne Jr.

New York Times Service  
ROME — A leader of the conservative wing of the Roman Catholic Church in Latin America has issued a harsh denunciation of the theology of liberation, saying,

"When I see a church with a machine gun, I cannot see the crucified Christ in that church."

Meanwhile, an American nun from Belgium interrupted a news conference at the Vatican on Saturday to plead the case for women as priests.

At the same news conference, one of the presidents of the extraordinary synod of bishops, Cardinal Joseph Matula of Zaire, said the church could not expect to become a "democracy, as we know it and experience it in civil society."

The attack on liberation theology came from Bishop Darío Castrillón Hoyos, the executive secretary of the Latin American Episcopal Conference. Cardinal Castrillón Hoyos, of Pereira, Colombia, is taking part in the two-week Synod of Bishops called by Pope John Paul II to assess the state of the church since the end of the Second Vatican Council 20 years ago.

Cardinal Castrillón Hoyos said the church in Latin America had gained credibility by identifying itself with the poor and now "sees with greater clarity the overview of poverty, misery and exploitation."

"In analyzing this reality in light of the Gospel, the church has seen that this is a scandal," he continued.

"But some lines of liberation theology have generated some very sorrowful and very sad fruit for the people and for the church," he said.

"We can never use hate as a system of change," he said. "The core of being a church is love."

The bishop's comments raised one of the thorniest questions facing the church: the relationship between its teachings on the need to help the poor and political action.

The theology of liberation has advocated the need for Catholics to become involved in movements for social justice and the desirability in some cases of revolution.

The pope and the Vatican have criticized aspects of liberation the-

ology, saying that in some forms it has adopted Marxist ideas, notably that of class struggle. The liberation theologians, in turn, have argued that the Vatican's attacks have hurt Christian movements for social change.

The news conference was interrupted when the two women, Marie Therese Soumy of Brussels and Béatrice Burke of Fort Lauderdale, Florida, were recognized as speakers and allowed to issue their appeals for the church to allow women to be ordained priests.

"The yoke that has been borne for too long by the women of the church has to be lifted," Ms. Burke said.

She said that in the United States, many Catholic women who had studied theology for years had finally left the faith to join the Episcopal Church so they could be ordained.

■ Synod in 5 Years Proposed  
Kenneth L. Briggs of The New York Times reported from Rome:

Cardinal Matula said Saturday that another meeting might be required to adequately examine the problems facing the church.

The limited amount of time available to discuss all the problems in the church doesn't enable us to deliberate in much depth," he said. "I see no real problem having another synod in five years."

Cardinal Matula's comments reflected a general view among the church leaders that they have been overwhelmed by the sheer breadth of the problems they have had to discuss.

At the same time, however, church liberals said they were heartened that the showdown between progressives and conservatives that some expected had not ever happened.

A liberal Vatican official said: "It hasn't been black-white even from those who wanted it that way, and the pessimists are really in a minority. It's worked out much better than I ever hoped."

Many liberal Catholics had feared that the synod would become a conservative campaign to roll back some of the Second Vatican Council's principles, but that has not taken place.



The Associated Press  
José María Ruiz Mateos on his way Sunday to a Spanish prison where he will await trial on fraud charges.

## Rumasa Founder Is Sent To Spain for Fraud Trial

Reuters

MADRID — José María Ruiz Mateos, a fugitive Spanish financier, has been extradited from West Germany and is being held in a high-security jail near Madrid for trial over the near-collapse of Rumasa, once Spain's largest private holding company.

Mr. Ruiz Mateos left Spain shortly after the Socialist government nationalized 240 of his 400 companies in February 1983. He was arrested Saturday in Frankfurt, where he had fought extradition since last year and flown to a military base near Madrid. He has been refused bail.

Mr. Ruiz Mateos, 54, was charged in 1983 with currency smuggling, accounting fraud, social security fraud and embezzlement. But he can be tried only on the offenses accepted as grounds for his extradition, two counts of accounting fraud, involving false balance-sheet data and exaggerating his bank's assets. They carry a maximum six-year prison term.

The trial is expected to rekindle political controversy over the take-over of Rumasa, which included hotels, department stores, farms, vineyards, banks and networks.

The government said it acted to avert a major collapse. Mr. Ruiz Mateos, its founder, blamed a plot by business rivals. The rightist opposition waged a one-year legal battle against nationalization that was finally settled by the Constitutional Court in the government's favor.

The trial also could affect Spain's upper classes, the daily Diario 16 newspaper said in an editorial. It cited possible irregularities in the group's banks whose boards included notable figures of our country's social, political and business circles."

The government has said Rumasa was technically bankrupt and 60,000 jobs were in danger.

All Rumasa companies were sold back to the private sector after the government spent \$3 billion to straighten out its finances. When the sell-off began in 1984, officials put the group's accumulated losses at \$2.6 billion.

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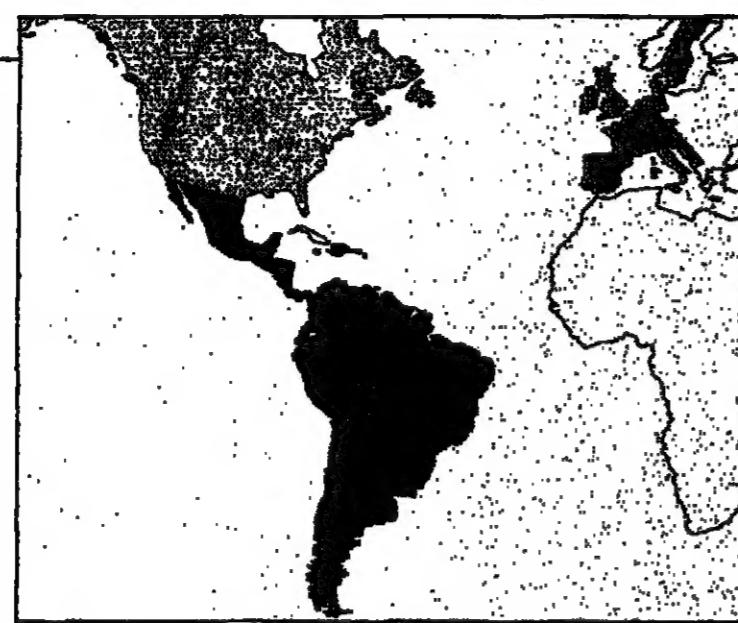
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2-12-85

## One Man's Crusade for Practical EC Unity

By Joseph Fletcher  
*International Herald Tribune*

BRUSSELS — Lord Cockfield, the European commissioner in charge of demolishing trade barriers inside the Common Market, is an impatient man. Wryly, he notes that agreement was reached this year on allowing pharmacists to work freely throughout Europe "after only 16 years, whereas the previous group, architects, took 18 years — so we're making progress."

Although his face was in usual deadpan, his tone showed his scorn for such slow movement.

But Lord Cockfield is above all a practical man, one who rose to head Britain's largest drugstore chain, Boots the Chemist, was awarded a life peerage in 1978, and held two cabinet posts before joining the European Commission, the permanent secretariat of the Common Market, as vice president in 1983.

As a pragmatist, he realizes that his crusade has made him enemies among his former fellow cabinet ministers, who feel he is pushing European commercial unity too fast, too far. Opposition, however, is no stranger to the 70-year-old Lord Cockfield (pronounced Cofield), a self-made man who has surprised his colleagues in Brussels with his political toughness.

He preaches that European business can survive only in a Europe-wide market of free competition. "We simply can't go on like this," he said in a recent interview. "We are losing ground in output, technology and employment. We are 10 separate economies."

Trying to jolt bureaucrats into visualizing a leap forward, Lord Cockfield often recounts an anecdote about Friedrich von Hayek, the Vienna-born economist who won a Nobel Prize in Economics in

for every new product to be sold throughout Europe. For a car's rearview mirror, for example, the standard could run to more than 100 pages of technical data and sketches.

"By the time we got the norm, the product might not even exist any more — a rearview mirror might be made obsolete by cheap backward-looking television systems," explained a Cockfield aide. But without a standard, companies risked being unable to export their products and therefore hesitated to invest in Europe-wide production facilities.

Lord Cockfield stood the traditional European method on its head by introducing what he calls "a framework approach."

Instead of trying to look like to meet the European norm, the Common Market now sets out a simple list of "essential requirements," mainly safety standards. And the new approach applies to categories of products, not individual items.

The first beneficiary is "pressure vessels," a category running from home pressure-cookers to giant industrial boilers. The old standard was voluminous; the new standard is under 10 pages. The whole process has taken only a few months since the framework approach was adopted last May by the member governments.

To perfectionists who worry that the quality of European goods may be threatened, Lord Cockfield emphasizes his main aim: performance. "Remember what we're looking for, freedom of movement, that's the goal," he says repeatedly.

Businessmen appreciate his approach, pointing out that overly stringent standards penalized Europe's most responsible manufacturers. Fly-by-night companies, mainly non-European, could flour-

## Chaos in Standards Stymies EC Progress

(Continued from Page 1)

market life. Today, the research and development world cost \$300 million to \$1 billion because of the microchips and software involved, and the market life would be halved.

To recoup that investment, a company needs sales of \$10 billion to \$15 billion in 10 years. All 23 countries of Western Europe bought \$69.3 billion worth of phone exchange equipment last year, but there are 10 major European companies developing advanced digital-switching equipment and competing to sell it. Controlling a tenth of the market for each of these companies would not come close to being profitable.

"Each company hopes the others will go bus first," an industry analyst said. "Meanwhile they're all losing money."

Industrialists agree with this analysis. "A leading-edge manufacturer has to have a Europe-wide market to repay his investment fast and provide a springboard to world markets before Japanese or U.S. competition swamps the smaller European firm," said Robb Wilmut, head of ICL, Britain's biggest computer-maker.

Dr. Dekker added: "In the past, Philips and other European electronics companies' competitors were each other. Now we are being met in our European markets by large and small U.S. and Pacific firms, and we suffer from a failure to grasp global markets."

Lobbying by European big business has emboldened the EC Commission to attack inter-European barriers. A program drafted by Lord Cockfield, the European commissioner responsible for the internal market, lists 300 reforms to achieve an integrated European economy by 1992. With 10 members, the Common Market would emerge as the world's biggest affluent market, with 320 million inhabitants, significantly larger than the United States, with 250 million people, and three times bigger than Japan.

The EC plan, announced last May, is scheduled for adoption by Common Market governments at a summit meeting next June. It will be at the center of discussions Monday in Luxembourg at an EC summit session described as a crucial meeting to regain the momentum of the early years of the Common Market.

Already a handful of Lord Cockfield's reforms have been adopted. But governments appear increasingly hesitant about sweeping away the frontier formalities, tax barriers, nationalistic government purchasing policies and other forms of disguised protectionism that have tailored European markets to domestic industries.

The conflicting norms for television sets are a prime example of the disguised protectionism and commercial divisions that cost consumers money every day.

National standards originally were intended to protect consumers, but throughout Western Europe today they often function to handicap foreign competitors, said an aide to Lord Cockfield.

Some norms seem almost whimsical. Only Britain, for example, requires television sets to be backed with netting so that a metal medalion cannot swing through a ventilation hole and electrocute the wearer. France requires yellow headlights on cars while other EC countries require clear headlights.

Many other norms are blatantly commercial: Italy is notorious for frequently changing its technical rules to give national manufacturers an edge. West Germany still applies medieval laws specifying the content of beer — a heritage that conveniently serves to prevent foreign brewers from exporting to West Germany, Europe's largest market for beer.

The first to prevent delays at border crossings initially by moving

truck drivers can be required to carry up to 27 documents to go from one European Community country to another. The paperwork and delays cost about \$50 billion a year.

Incompatible technologies are another costly problem. Europe is divided between two basic television broadcasting systems, France's SECAM and West Germany's PAL. For Thomson, "The incompatibility between PAL and SECAM systems means that every model, from the cheapest to the most sophisticated, has to be built in two versions instead of one," Mr. Huck explained.

A second category of changes aims to eliminate "technical barriers" or obstacles to free competition in the Common Market. Nowhere is the lack of European commercial unity more evident and more damaging than in the member governments' purchasing practices.

Every year the 10 governments purchase major equipment worth about \$400 billion. If these sales were open to competitive bids from any European company, they would create a single market and a powerful industrial incentive worth roughly 15 percent of the Common Market's total gross national product.

This represents 2 percent of the combined gross national products of the member nations: Belgium, Britain, Denmark, France, Greece, Ireland, Italy, Luxembourg, the Netherlands and West Germany, with Spain and Portugal due to join on Jan. 1. In other words, the average Common Market citizen works a week a year just to meet these published by the European Parliament.

The idea is that they can then become big enough to export inside Europe and eventually beyond its borders," Lord Cockfield explained.

The third broad category of reforms, which is arousing the stiffest initial resistance, concerns what the Commission calls the "harmonization" of indirect tax rates among Common Market countries.

All Common Market governments levy indirect taxes on almost all goods and services, but the rates vary widely. Value-added taxes, or VAT, usually range from 14 percent to 19 percent although the real differences can range from no VAT on a particular item in one country to 19 percent on the same item in another. And excise taxes are even more divergent: The duty on spirits in Greece is 60 times higher than in Denmark.

Although these varying tax rates distort commercial life, Finance ministries are reluctant to give up the value-added tax as a lever in the economy and in government revenue," said a British diplomat in Brussels. "For public opinion, the Treasury in my country will say they are defending Britain's right to have VAT on, say, food and on orthopedic devices."

In the face of this intransigence, what are the chances that a truly common market will become a reality by the European Commission's target date of 1992?

"Progress will be slower than its advocates want, but faster than anyone would have thought two years ago," said an official of the Geneva-based International Standardization Organization.

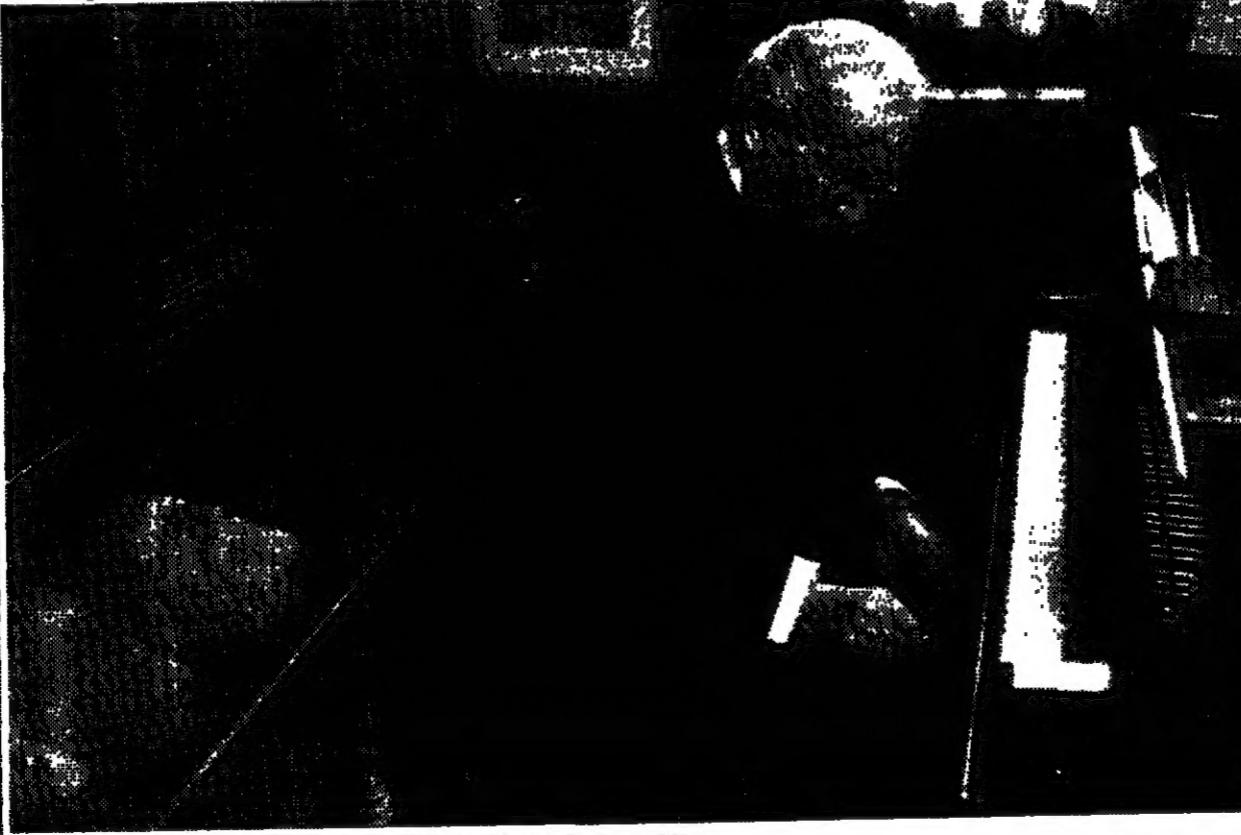
The agency comprises 89 national organizations, with more than 20,000 experts taking part in its technical meetings each year.

But, added an EC official: "We

are the best hope."

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# INTERNATIONAL HERALD TRIBUNE

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## Overt Covert Meddling

Spies and secret agents are "covert." Presidents are not. That banal distinction is necessary now that President Reagan openly proposes yet another "secret" but undeniable American intervention, this time in Africa.

When asked the other day why Secretary of State George Shultz opposed aiding rebels in Angola, Mr. Reagan replied, "I glad you asked me that. He isn't... We all believe that a covert operation would be more useful to us and have more chance of success right now than the overt proposal that has been made in the Congress." What Mr. Reagan meant was that the administration opposed open intervention against the Marxist regime as counterproductive to its diplomacy; it seems to have concluded — and wisely so — that this would only cost the United States the ally of South Africa's effort to exploit the Angolan rebels to perpetuate its illegal occupation of Namibia. Mr. Reagan also implies a recognition that no amount of U.S. aid to the Angolan rebels could outweigh the aid the Soviet Union and Cuba can give for the defense of the regime.

But the president seems to want things both ways. Now that Congress has repealed the decade-old Clark amendment barring covert operations in Angola, he thinks he can negotiate with Angola's government on one level while privately aiding Jonas Savimbi's UNITA insurgents on another. Calling such aid "covert" may temporarily avert a full-scale congressional debate. But what can be covert — "concealed, secret, disguised" — about a policy proclaimed by the commander in chief?

The advantage in moving covertly is that a government can sometimes pretend it is not doing what it is doing. The technique is much favored by the Soviet Union, which aids revolutionaries while maintaining formally correct relations with the governments it seeks to overthrow. This is a technique that is much envied by some Americans and has been emulated with often disastrous results.

As France has rediscovered in New Zealand, open societies cannot long sustain a controversial or sizable covert operation. That America aids the rebels in Afghanistan has become common knowledge; calling the aid "covert" can no longer help Pakistan's denial of complicity in the arms flow. And not even an ally's sensitivity can be claimed for the CIA's widely discussed "covert" aid to the "contra" army attacking Nicaragua. In the case of Angola, the untenable now becomes ludicrous. Having advertised his intentions, Mr. Reagan could never deny involvement.

The laudable objective of getting 30,000 Cuban troops out of Angola requires making the Luanda regime more secure, not less so. Occupying Namibia and attacking Angola to "save" both from Marxism is South Africa's way of using a Red card to make America's ally in the defense of apartheid. A president should be able to see through that overt play. And though he may envy the Kremlin's most devious successes, he should be able to calculate the cost of imitating them — at the expense of America's freedoms and reputation.

— THE NEW YORK TIMES.

## Hope for Unionists, Too

The British and Irish parliaments have now ratified their governments' pact on Ulster. The agreement, signed on Nov. 15 by Prime Ministers Margaret Thatcher and Garret FitzGerald, sets up an intergovernmental commission to work toward resolution of political, legal and security problems in Northern Ireland. The commission has no governing power, and the province will remain a part of Britain, but the new body will serve as a forum for discussing and, it is hoped, easing the conflicts that have led to so much bloodshed in recent years.

In Dublin almost a third of the Dail voted against approval, with Mr. FitzGerald's opponents arguing that the pact did not go far enough in advancing Irish unity. But in London the agreement was approved on a 10-to-1 vote, with only a handful of Conservatives joining the unionist members from Northern Ireland in opposition. The unionists, led by the Reverend Ian Paisley, have now resigned from Parliament in order to force a series of by-elections early next year. They mean those

elections to serve as a kind of referendum on the treaty, giving their constituents an opportunity to demonstrate the "universal, cold fury" with which they view the agreement.

This political step by the unionists was to be expected. So was the large street demonstration in Belfast on Nov. 23. In a situation so emotionally charged, these peaceful responses deserve respect. Mr. Paisley, who a few weeks ago was speaking of weapons, arsenals and fights to the death, assured his parliamentary colleagues that "There is going to be no rioting in the streets... no civil commotion. We are going to use democratic practices."

Surely the people of Ulster, both Protestant and Catholic, must be fed up with violence. The negotiations who devised the intergovernmental forum offer an alternative. It is not a solution, but it is a first step. If the members of the commission can proceed in an atmosphere free of violence, although not of opposition, then there may be hope for peace in Ulster.

— THE WASHINGTON POST.

## A South African Scandal

People arrested for political reasons are often more likely to be mistreated by their jailers than are ordinary criminals. While police in many countries may hassle, threaten or strike a prisoner to obtain a confession to say, murder or robbery, a political prisoner frequently provokes a stronger reaction. Perhaps it is because he represents a threat to the establishment that the police uphold, or because he comes from a despised class or advocates controversial ideas. Such a prisoner is often the target of humiliating abuse, emotionally charged assault and even torture.

South Africa now verges on revolution, and violence is an everyday occurrence. Since January more than 7,500 persons have been arrested, most of them under the provisions of new emergency security regulations. In addition, the police have been given blanket immunity in this crisis, saving them from prosecution or civil suit on account of any act committed while carrying out their duties. It is in this framework that charges of abuse of prisoners have begun to mount. The latest report appears in a memorandum published

— THE WASHINGTON POST.

## Other Opinion

### A Brutal Message From Libya?

It was the most brutal hijack on record. The EgyptAir hijackers shot five passengers without making any political demands.

Arab sources close to fringe groups in the Palestinian resistance movement believe that the operation was intended [in particular] as an answer to those Israeli and American officials who believe that the Palestinians can be defeated by hitting them hard. The message to Israel and the United States was: "You have

not won and cannot win the battle against terrorism. We are still here." Arab sources say that to keep the initiative in the international war of terror and counterterrorism is a major priority of the extremist Palestinian factions.

The ruthless style of the attack has led many observers to believe that Abu Nidal had it in mind. He is known to have had good relations with Libya. [Egypt] has blamed Abu Nidal and Libya for the hijacking, but the evidence remains circumstantial.

— Patrick Seale in *The Observer* (London).

## FROM OUR DEC. 2 PAGES, 75 AND 50 YEARS AGO

### 1910: \$5 Fines for 'Smoke Nuisance'

**NEW YORK** — Popular demand, voiced in the Herald, that the Police intervene in the fight against smoking automobiles in New York was answered recently when orders were issued to abate the nuisance. Forty-two offenders were arrested or summoned to [various city courts]. In fixing 41 delinquents \$5 each, one magistrate said, "You policemen are beginning to do good work, but it took the press to stir you. The smoke nuisance must cease." He added that if the fine did not prove adequate he would increase it to \$10. If this did not have the proper effect he would send the drivers to prison. It having been intimated by some that the injury to health by the smoke from automobiles had been exaggerated, opinions of physicians were obtained. These agree that the effects of the smoke are painful.

**1935: A Palestine for Arabs and Jews**

**PARIS** — All is not well between the Jews and the Arabs in Palestine. It is no reflection on the administration of Sir Arthur Wimborne, according to Beatrice Stewart Erisman [in her book "Palestine and the Arabs"], but the tension exists; in fact, it has never ceased to exist from the day when the Arabs, liberated from the Turks, saw a new aggressor in Zionism. While Jews, whether Zionists or not, will want to read this book, possibly to disagree with parts of it, others will find it illuminating as regards the evolution of "the cradle of Christianity" since the war. The high point is a plan, not original with the author, to make Palestine safe for Arab and Jew. This plan suggests two separate cantons, one for Arab and the other for Jews, which would become states with membership in the League of Nations.

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# DORCELAIN

## glass & SILVERWARE

### Table-Shopping on the Rue de Paradis

If you're bullish on china shops, run (don't walk) to Paris's rue de Paradis. This 500-meter street, just two blocks southeast of the Gare de l'Est train station, is lined with 50 retail boutiques and manufacturers' showrooms selling the very finest French and European porcelain, silver, crystal and glassware.

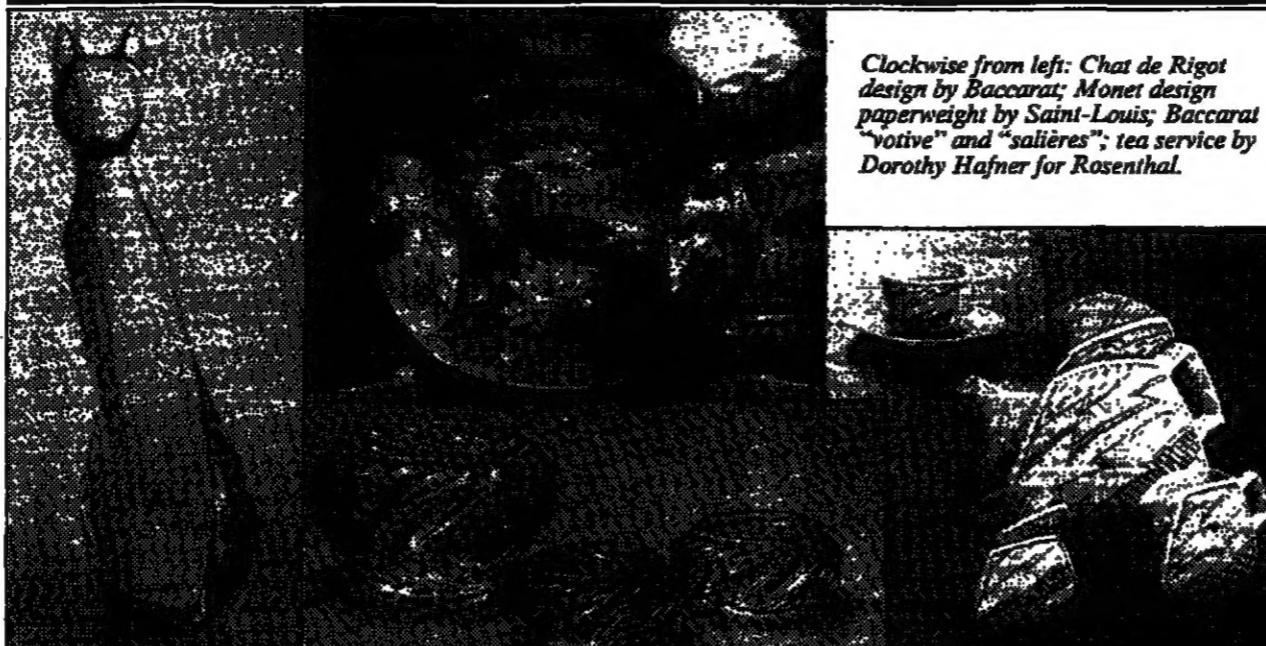
This is the epicenter of France's retail and wholesale table-craft trade, and while located in one of the city's last surviving *quartiers populaires*, there is nothing downmarket about the presentation in these boutiques. Even with prices averaging 10 percent less than in department stores, all is *luxe, élégance et élégance* behind those sparkling display windows.

One senses the spirit of gentlemanly cooperation between the merchants, who have all agreed to keep the same hours (10-6:30 Monday through Saturday). "We treat each other more as colleagues than competitors," says Albert Madronet, president of the 23-member Rue de Paradis Association. "It's a fine line, of course, but it's the difference that makes all the difference."

Madronet, who hails from Limoges, owns six of the 30 retail outlets on the street. Each individual shop is a separate universe, with a distinct inventory aimed at a specific clientele.

For instance, Limoges Unic at 12, rue de Paradis is geared completely to the tastes and needs of North Americans, who make up 90 percent of the shop's clientele.

In fact, national preferences in tableware seem to be as di-



Clockwise from left: Chat de Rigot design by Baccarat; Monet design paperweight by Saint-Louis; Baccarat "votive" and "salières"; tea service by Dorothy Hafner for Rosenthal.

verse as national cuisines. Arab clients, for example, tend to prefer the more ornate styles, laden with gold filigree and rich cobalt-blue coloration. "Cobalt paint is such an expensive material that it always raises the price," remarks Madronet, adding that such table services do not sell well to Americans because "they don't fit in with the relaxed U.S. lifestyle."

The consumer is not the only one to betray national tastes. Style tendencies are easy to spot among the manufacturers, too. "Due to the firing processes in England, their chinaware is always more softly colored than ours on the Continent," says Madronet. "And the designs employed by the Scandi-

navian, German and Czech firms are generally very contemporary."

At Madronet Maison, 34, rue de Paradis, the ultramodern creations of the West German Rosenthal firm are displayed between showcases of classic French Baccarat and Saint Louis crystal. A Rosenthal innovation is that each porcelain table service is complemented by a matching silver and glassware pattern. (Again, all items can be bought separately and by the place setting.)

However, let the buyer be aware that all French china patterns are not tradition-bound and formal. In the same shop, the Limoges-based firm of Robert Haviland and C. Parlon

offers one of the simplest and cheeriest services imaginable: bold cornflower-blue and sunshiny-yellow striped plates that were recycled from Claude Monet's ceramic service at Giverny. The same company also commissioned fashion designer Sonia Rykiel to develop a clean art-deco-inspired series. (It must be added that designer dressing-for-dinner-plates is a full-fledged trend on the street: Karl Lagerfeld, Pierre Cardin, Léonard and Castelbajac are just a few of the designer labels for

the table available on the rue de Paradis.

Despite the proliferation of new and exciting themes, Albert Madronet sees evidence of a new conservatism among youthful consumers. "From 1965 to 1975, all the young French couples wanted something modern." Now they're all looking at traditional patterns. Even the Germans, who are always very avant-garde in their tastes, are shopping for tradition."

Tradition is a byword on the

rue de Paradis. While the street has been in existence since 1643, its destiny as a center of table arts did not begin until 1831, when Baccarat Crystal opened a studio at 30 bis, now the site of their showroom. Besides displaying the entire present-day inventory, Baccarat maintains an on-premises museum with dozens of items from their 200-year history. Besides offering a peek at the "eyes only" crystal service used at the Elysée Palace, the museum has cutaway diagrams that illustrate exactly how the famous "millefiori" paperweights are made.

Right next door to the Baccarat building is the Interior, a complex of manufacturers' showrooms grouped as the Centre International des Arts de la Table et de la Maison. Haviland, Saint Louis, Waterford and Porcelaine de Sologne are only a few of the tenants. Fine French firms like Bernardaud, Baum Crystal, Lafarge and Haviland et Parlon also maintain showrooms directly on the street.

This is not to suggest that the rue de Paradis has a virtual monopoly on quality table crafts. The stretch of land between the Place de la Concorde and the Place de la Madeleine can be singled out for two very notable storefronts. One is Lalique, at 11, rue Royale. This is a name that is synonymous with French elegance for luxury-lovers the world over.

The other, Au Vase Etrusque, 11, place de la Madeleine, has been known to connoisseurs of fine china and crystal for over 120 years.

The selection at this two-story store is simply enormous and tends to the traditional. Major French and Continental firms are extremely well-represented. The store even carries some samples of *révolte* Sévres porcelain. Naturally prices for these items, which are very limited in production and distribution, are high: a single gilt-edged soup plate can run well over 1,000 francs (\$125).

Au Vase Etrusque will also hand-paint *china* or hand-carve crystal to a customer's specifications. The results (as in the purple orchid pattern recently commissioned by a South American client) can be breathtakingly beautiful.

Au Vase Etrusque is 100 percent operational today after a terrorist bomb directed at the nearby UTA building shattered its first- and second-floor windows in late October. "It wasn't pretty," says Gaché. "We were all terribly demoralized." Luckily, most of the damage was confined to the ground floor, and regular customers will not find it hard to believe that the stately calm of this century-old establishment could be restored so rapidly.

### Value Is a Matter of Detail

Richness of form, hand-modeled decorations and exquisite painting done by hand: the Saxon-Thuringian porcelain factories have been making details important for centuries.

In the 1890s, the Scheibe-Alsbach Porcelain Factory became famous for a new kind of artwork in its reproductions of well-known historical paintings as free-standing porcelain groups. Prof. Otto Poertzel created a porcelain statue based on David's "Napoleon's Ride Across the Alps." Both the great accuracy of portraiture and the historical authenticity of the uniforms reflect masterful modeling and painting. This monumental porcelain figure is, like all the factory's Napoleonic creations, unexcelled to this day.

Look for the factory mark on the bottom. You'll recognize porcelain from Scheibe-Alsbach by the crossed S.

Porzellanmanufaktur  
Scheibe-Alsbach



in: VEB Vereinigte  
Zierporzellanwerke Lichte

### The Magic of Baccarat Crystal

Their name is the very definition of crystal. With authority in the Petit Larousse Illustré defines this magic substance as: "Very clear and very pure white glass, Baccarat crystal." For over 221 years, since the glassworks was founded by the Bishop of Metz under the patronage of Louis XV in 1764, the story of this celebrated French *crystalier* has combined the extraordinary with the miraculous—surviving three revolutions and four invasions as well as two general strikes without once shutting down—that one might assume the gods had cast a particularly benevolent eye upon the enterprise.

Perhaps one of them has. Centuries ago, the Romans built a temple on this same site, dedicated to the god of wine, Bacchus, next to a fortified town whose ruins can still be glimpsed nearby. The name Baccarat derives from *Bacchus* and *area* for altar.

What better way to propagate the pleasures of the vine than to combine the world's greatest wines with the superb crystal in which it is best served? Could that special sparkle of a Baccarat crystal goblet as one sips the velvet vintage of a fine Bordeaux be a reflection of the glisten in the eye of the most sybaritic of gods?

No need to plunge into ancient legend to share the pleasurable sensation of serving fine wines in connoisseur's crystal. Modern heads of state follow the traditions set by the sumptuous royal courts of yesteryear when they turn to Baccarat for their elegant stemware or prestigious state gifts.

The miracles wrought in shimmering crystal by Baccarat's craftsmen have fascinated the rich and powerful for centuries. Kings and emperors, shahs and sultans, maharajahs and presidents, from the Far East to the Far West, have paid their tributes to Baccarat's supremacy. Charles X was the first royal to visit the manufacturer in 1828, and thereafter a stream of

clients and candleholders reached as astonishing proportions, up to 17 feet high and 16 feet in diameter, with 147 lights. Some of these masterpieces, containing more than 500 elements, weighed from 500 kilograms (1,100 pounds) to a ton, something the Maharajah of Gwalior did not properly take into

account when he built a palace just to display his new Baccarat chandelier. Despite warnings from the craftsmen that the ceiling was not strong enough to support the chandelier, he ordered it hung. When the ceiling gave way and the magnificent chandelier crashed into a million crystal splinters, the Maharajah was undeterred. He merely ordered another chandelier and built another palace, this time assuring the solidity of the roof by hoisting his heaviest elephant up by special crane for a test run.

Side by side with all these grandiose exploits, Baccarat continued to invent exquisite stemware patterns, like the deep flat cutting of Harcourt in 1825 or the celebrated balloon glasses of 1849, and the simple Grecian vases that are still best-sellers today. The art of "millefiori" paperweights, in vogue until 1880, was only rediscovered

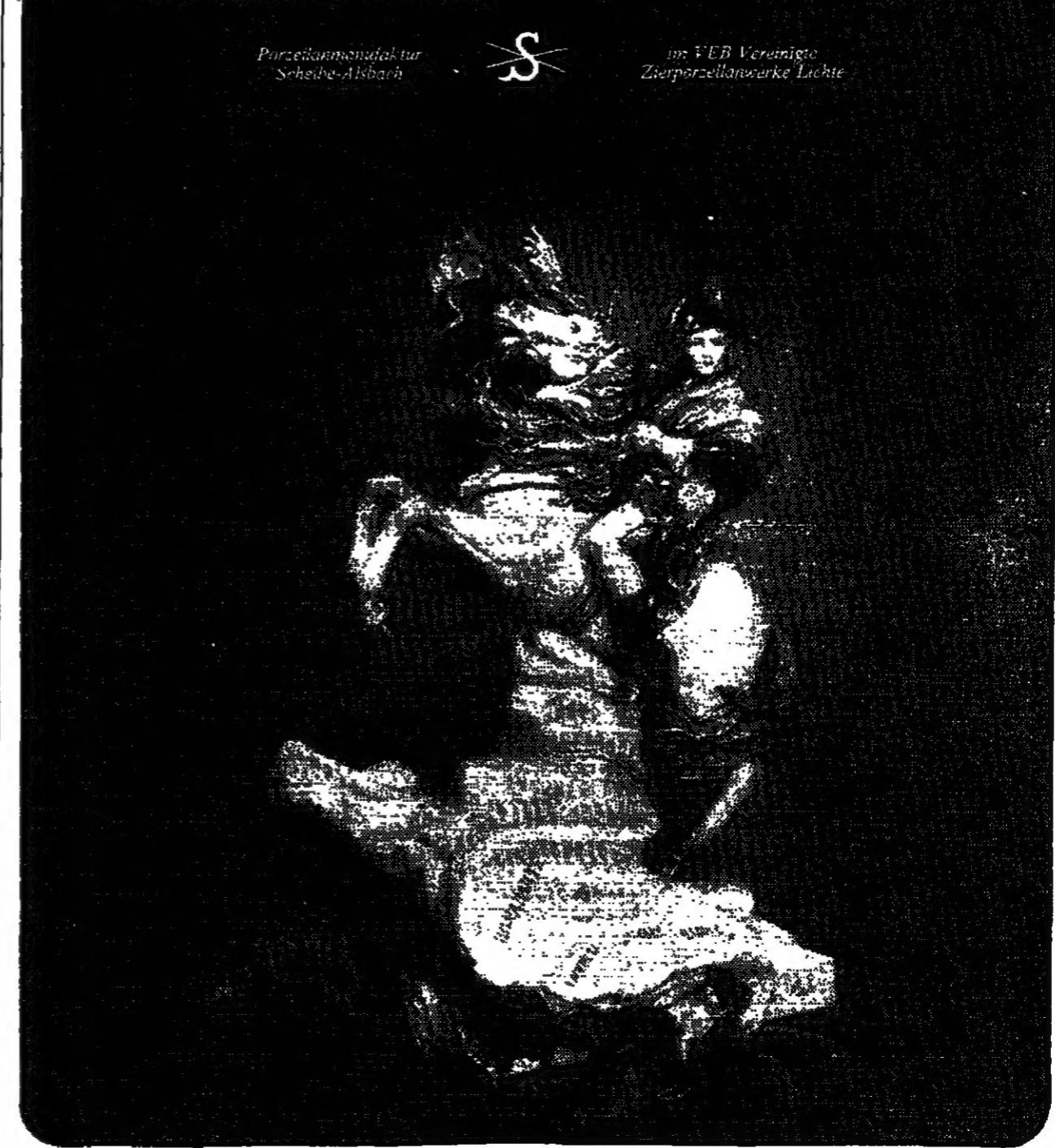
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Looking after this masterwork force is one of the company's priorities, and it only slightly exaggerates when it speaks of it as a large family. The 1,100-person work force is made up of only 211 families, and the esprit de corps is such that they recently volunteered to work 24,500 hours overtime to cope with a flood of orders. Today more than half the workers are shareholders in the company, and it has been the only firm to hire 110 people over the last 18 months in the economically depressed Lorraine region.

Meanwhile, the legend of Baccarat continues to dazzle with the mysterious magic of clear crystal.



1985 Baccarat reproductions of designs from 1821-1840.



## Distinguished Names in Porcelain

Germany is the home of many distinguished names in porcelain.

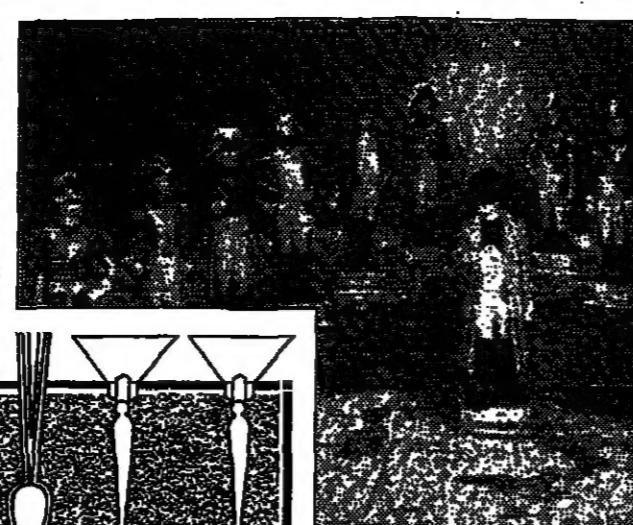
To the Saxony region of this country goes the credit for making the first true (i.e., hard-paste) porcelain in Europe at the start of the 18th century. The first glazed and painted white porcelain was made in a factory in Dresden. But the

plant proved too small and porcelain production was moved into an old fortress in nearby Meissen (the original site continued to produce a porcelain-like red stoneware). The name, Royal Meissen, sounded better than the first products justified, but skill and style were soon developed. Today, Meissen is synonymous with high-quality porcelain.

One of the latest "new" patterns from Meissen is a coffee service bearing the Brühl swan design of Count Heinrich von Brühl, premier of Saxony and director of the Meissen porcelain factory from 1733 until his death in 1765. The pattern has been brought back to celebrate Meissen's 275th anniversary this year. Incidentally, the original Brühl swan pattern consisted of 2,000 pieces.

Forty years after production started in Meissen, a wool producer opened the first porcelain factory in Berlin. However, it soon closed, mainly because of the Seven Years War. A second plant had to stop production in 1765 after only about two years. This time, porcelain making in Berlin was saved by government intervention in the form of an order from Frederick the Great, and since then the Royal (changed to State in 1918) Porcelain Manufactury Berlin—known by its famous initials, KPM—has remained in uninterrupted operation.

The marriage of a granddaughter of August the Strong into the Bavarian royal family resulted in the first, but unsuccessful, attempt to make porcelain in the Munich area. The plant, in an unoccupied local government building in Neu-



Top left and right, Scheibe-Alsbach figurines. Bottom right, the Romantica pattern from Villeroy & Boch. Bottom left, bone china Crown bowl from Villeroy & Boch.



deck in der Au, outside Munich, was kept going and with the help of craftsmen and artists who had worked in other German and Austrian porcelain factories, quality porcelain was eventually produced. To save money and end quarrels with neighboring monks, production was moved to the royal family's castle at Nymphenburg in 1761. Since then, the products have been known as Nymphenburg porcelain.

Diderot included a work called "L'Art de la Porcelaine" in his famous encyclopedia. The author, a Comte de Milly, had acquired firsthand experience in porcelain making while on temporary duty with the army of the Duke of Württemberg, who had erected a factory in his residence in Ludwigsburg, outside Stuttgart. Porcelain-Manufaktur Ludwigsburg is now a private company. Its range of products (still handmade) includes figurines, decorative plates and tableware and other objects. They bear the original Mainz wheel as their trademark. One of the special characteristics of the 18th-century "Mainz Manufactory at Höchst" was the use of a deli-

cate purple that can be seen again on the plant's current production. Höchst is also distinguished for its flower paintings, not only on large plates and bowls but also on small pieces, and for its use of the combination of purple, green and gray.

Villeroy & Boch, which identifies itself as Europe's largest ceramic maker, also traces its roots back to the porcelain pioneer days of the 18th century. The company originated in 1748 in a pottery started by Francois Boch and his three youngest children in Audincourt in Lorraine, then part of Luxembourg. As Villeroy & Boch, the company specialized in tableware. Although, in the last hundred years, the production volume of tiles and sanitary wares has overtaken that of tableware, the company continues to turn out a variety of artistic patterns to brighten tables in homes and restaurants.

An attempt to revive the company was made after World War II, but a successful start-up was not realized until 1965. The company is now owned by the Hoechst chemical corporation and the Dresden Bank. Today's production, modeled and painted by hand, consists of figurines, tableware, vases and other objects. They bear the original Mainz wheel as their trademark. One of the special characteristics of the 18th-century "Mainz Manufactory at Höchst" was the use of a deli-

cate purple that can be seen again on the plant's current production. Höchst is also distinguished for its flower paintings, not only on large plates and bowls but also on small pieces, and for its use of the combination of purple, green and gray.

Hutschenreuther, which is now in its 171st year of operation (although its Theresienhöhe subsidiary goes back to the year 1421), introduced this year what it calls "a completely new idea for porcelain and glass" in the Maxim's de Paris design created by Pierre Cardin. Intended for urban and suburban users, the pattern is very simple, with oval forms and sweeping lines. There are variations, from a minimalist plain soft white to gold trimming to slight touches of color and a hint of a floral display for the Jardin style.

Rosenthal was founded in 1880 by Philipp Rosenthal. New in Rosenthal's avangarde Studio Line this year are the Flash tea service, described in the catalogue as "for lovers of the unconventional," by Tiffany designer Dorothy Hafner, and a reissue as a ceramic coffee set of the Gropius Service, originated by one of the leaders of the Bauhaus movement. One of the first orders for Gropius II came from New York's Metropolitan Museum of Art.



A porcelain expert from Meissen along with two merchants from Frankfurt am Main founded the factory in Höchst (now part of Frankfurt) in 1746. The factory's symbol is the wheel, taken from the coat of arms of the ruler of Mainz, who chartered the original company. Although Höchst porcelain quickly became known throughout Europe, the plant changed hands, was acquired by the prince in Mainz and forced to close down because of war and financial difficulties shortly before the end of the century. The molds for the most part were lost.

In the Franconian region of northern Bavaria, which is well populated with glass- and porcelain-making factories, two world-famous firms are found in the small town of Selb. They

are Hutschenreuther and Rosenthal.

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## Scheibe-Alsbach's Figurines Recreate History

For 150 years now fine porcelain has been manufactured in Scheibe-Alsbach, East Germany. From this mountain village in the Thuringian Forest it is exported throughout the world.

It was on May 30, 1835, that Louis Oels, a bookseller at the porcelain factory in Blankenstein, near Weimar, petitioned Prince Friedrich Günther von Sachsenburg to grant him permission to start a porcelain factory in Scheibe. The royal bureaucracy at the court in Rudolstadt took a leisurely five years to answer the petition. But in the meantime, since Oels had not received an outright rejection, he began to go into production. At first work was limited to painting pre-manufactured pipe bowls. Soon Oels' factory, which by then had hired 15 workers, began to make porcelain of its own.

By the time Louis Oels was awarded the porcelain concession by the court in 1840, he had already sold the factory in July of the previous year to Daniel Kämpe and Friedemann Greiner. He had been forced to do so because of another bureaucratic snag: the prince's chamber had refused to allow him to obtain firewood.

His successors, Kämpe and Greiner, eventually went out of business for the same reason, after having hired an additional 30 workers. In 1844 they sold the factory to a Herr Dresel and Johann Friedrich Andreas Kämpe. The new owners seem to have been better able to deal with the royal bureaucracy: the

number of workers in 1847 was already up to 148. Even then the factory owners were recognized for the high standard of their products. Their porcelain figures, which are still the factory's main output, showed an astonishing quality of craftsmanship that guaranteed good sales. By 1850 Scheibe was the only Thuringian factory to be making large quantities of figurative porcelain.

Good raw materials and a very good porcelain mixture and complete mastery of glazing techniques make it possible to bring out the smallest details. These advantages, teamed with the owners' sensitivity to customers' needs, have given the Scheibe manufacturers a firm market position.

In the 1860s the company expanded its product range, which had been dominated by devotional items and toys, to include life-size busts of writers and composers. The masterpieces of the 1880s and 1890s were made of biscuit porcelain and painted in subtle colors. In the 1890s August Wilhelm Friedrich Andreas Kämpe, the son of Johann Friedrich Andreas Kämpe and sole owner of the factory since 1863, began to concentrate on a new genre: the reproduction of famous paintings as freestanding porcelain groups. The favorite subjects were paintings by David, Watteau and other French artists. Famous women such as Madame Récamier, Madame de Pompadour and Marie Antoinette as well as dancing couples, female dancers and scenes from society

were also models for porcelain figures in the last decade of the 19th century.

As a result the small, once-ignored factory in the upper Schwarzwald was soon established on the world market. A number of medals and prizes at national and international exhibitions of the period testify to the high artistic value of Scheibe-Alsbach's production.

The success of Kämpe's factory, with showrooms in Hamburg, Berlin, Paris, Milan, Amsterdam and Vienna, took the competition by surprise. This success was the result of an independent and well-directed policy that did not take Meissen as a prototype, but instead pursued an individual style. In 1905, A.W.F. Kämpe sold the factory to his son-in-law, a Herr Offeney. The business then became a formal company under the name A.W.F. Kämpe.

Scheibe-Alsbach went on to become partly state-owned in 1962. It was completely acquired by the state in 1972 and became part of the VEB Vereinigte Zierporzellanwerke Lichtenfels. Today the company goes by the name of Porzellanmanufaktur Scheibe-Alsbach GmbH.

Scheibe-Alsbach's collection of forms is constantly expanded with new models, mostly created by the talented hands of Heinz Schobert. Experienced skilled workers, supported by a talented young staff, provide the guarantee that Scheibe-Alsbach will remain highly respected throughout the world for its unique and valued artwork.

## Henckels Zwillingsswerk: On the Cutting Edge

On June 13, 1731, Johann Peter Henckels registered the trademark for his new Zwilling company with the Cutlers' Guild in the German town of Solingen. Since a patent office had not yet been established, Henckels's registration was announced in the local churches.

Since then, for more than 250 years, the twins have been the company's symbol. (*Zwilling* is the German word for twin.) Today the sign of the twin is found on knives, scissors, shears, flatware and manicure sets exposed to some 100 countries in the seven most important retail markets, in the United States and Japan and also in Western Europe. Henckels Zwilling has set up its own sales organizations.

A reputation for top quality has made this one of the world's leading cutlery manufacturers.

Consistent quality control is maintained during production. A single knife, for example, passes through an average of 40 different stages in the production process. A pair of shears needs about 60. Most of this work is still done by hand.

The company is constantly improving its products. In 1959, Henckels Zwilling ob-

tained a patent for a new hardening process it called *Priodur*. This is a way of using ice hardening to achieve the maximum rust resistance and sharpness along cutting edges. All Henckels Zwilling knives are treated with this process.

In 1976 the company introduced a new generation of forged cook's knives designed in cooperation with leading professional chefs. These knives are perfectly balanced and have

rounded butts for easier handling. They are marketed as the Four Star Knives and can be bought individually or as a set.

Henckels Zwilling kitchen shears are truly all-purpose and can be used to cut flowers, string or even carpets as well as to remove bottle caps.

Henckels Zwilling products are marketed in Germany and some of its neighboring countries in the company's own chain of 24 retail stores.



## German Metalware and Silver

WMF is one of the German brand names whose fame has spread around the world. The initials of the Württemberg Metalware Factory appear on a wide range of articles made by the company's different divisions: cutlery, gift and glassware; cookware and housewares; and hotel glass and tableware; coffee machines; polypropylene disposables and business gifts. There are 91 factory-owned retail stores in larger German cities.

For the consumer, WMF makes cutlery in solid silver as well as in silver plate, gold plate, stainless steel (under the Cromargan trademark) and metal combinations. Table and giftware come in gold plate, silver plate, Cromargan stainless steel, pewter and material combinations. There are also drinking and decorative glass

and crystal ware, stemware, bowls, vases, candlesticks and other items.

WMF has launched La Galiza this year as the firm enters a new field: imaginatively and creatively styled gift items. The first of these "products of pure fantasy" are ice buckets and champagne coolers.

Robbe & Berking, a silverware maker since 1874, has achieved an international reputation for high-quality products which are almost exclusively



solid silver and silver-plate cutlery. R&B is Germany's largest maker of genuine silver table utensils. The company notes proudly that its models are not based on the possibilities—and limits—of automated mass production, but reflect R&B's best artistic and silversmithing abilities.

R&B has created a new line, Edo, of slender dining utensils made expressly for the small, delicate portions of nouvelle cuisine. Edo has already won an award for design.

## China and Glass at Paris's Museum of Decorative Arts

The Musée des Arts Décoratifs, part of France's largest private museum complex, can be considered to be the guardian of French good taste through the ages. Furniture, silverware, wallpaper, fabrics, jewelry, folk art... even children's toys are featured in its enormous and eclectic archives.

Nonetheless, the fine china and glassware collections are especially noteworthy.

The glassware collection numbers 4,000 pieces. "As far as acknowledged masterpieces are concerned, works of great historical significance, I don't think there's another museum collection that can put ours to shame," says Assistant Glass Curator Jean-Luc Olivie.

While the collection stretches from antiquity to the present day, the greatest number of world-class treasures date from



the art-nouveau and art-deco periods. This is due in large part to the singular history of the museum, which was founded in the late 19th century by businessmen and manufacturers who wished to preserve and honor France's industrial and

crafts heritage. They were on the spot and ready to make acquisitions during the great period of International Expositions. In this manner the museum was able to construct a collection of 60 pieces by the famed art-nouveau master glassmaker, ceramicist, and furniture designer Emile Gallé (1846-1904).

The Gallé glassware collection at first included the masterworks the Four Seasons Cup (1884) and the Ephémères Vase (1887). Subsequent gifts added the Orpheus and Eurydice Vase (the jewel of the 1889 Exposition) and the Africaine Vase (1901), which Gallé produced in homage to Joseph Reinach.

Other great French glassmakers of the 20th century are represented too. Works by René Lalique (1860-1945) and Maurice Marinot (1902-1960)

are also present. The works of Auguste Delaunois (1857-1940) and Ernest Chaplet (1857-1909) are especially significant. And the present-day glass and china collections are continuing to grow. "This is thanks in large

part to the generosity of the Fonds National des Arts Contemporains," says Olivie.

The Centre du Vene, which opened in 1982, is also of special importance. "While there were many ceramics museums in France, nothing of comparable importance existed in this country for the study of glass," adds Olivie.

Those who would like to bring a little of the museum home with them should visit the sparkling new gift shop to the left of the main entrance at 107, rue de Rivoli. As a private museum, needs to generate funds for its survival in the 1980s, the Musée des Arts Décoratifs embarked on an extremely ambitious licensing and licensing program in hopes of letting the extensive archives help pay for themselves.

Of particular interest: the 18th-century Pastourelle porcelain dinner service and the blue-and-white Colonial service that was cast in the original 1925 model by Lemoine of Limoges. The Boîte Grenouille, or frog box, a hand-painted porcelain replica of a late 18th-century piece, makes a fine (and easily packable) gift. And among a wide selection of glassware, the Eiffel Tower candlesticks are a standout.

Musée des Arts Décoratifs, 107, Rue de Rivoli, 75001 Paris, tel. 42.60.32.14. Closed Monday and Tuesday.

Vivid memories of her childhood inspired the young, talented Franciscan nun, Maria Innocentia Hummel. The inimitable "M.I. Hummel" figurines painstakingly adapted from her artwork have already made millions of friends among collectors around the world. You'll discover the joy, too, when you look for authentic "M.I. Hummel" collectibles with the Goebel backstamp at a fine gift shop near you.

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Musée des Arts Décoratifs, 10

## The Comeback of British China

After the difficulties of the early 1980s, when the recession caused many famous Staffordshire potteries to cut back on production, British tableware sales are again booming.

A key factor in this recovery is the favorable dollar exchange rate, which has boosted direct exports to the United States. It has also increased sales to Americans vacationing in the United Kingdom, for whom "typically English" chinaware has always been a favorite holiday souvenir. This is reflected in the growing levels of business at airport shops, where travelers can take advantage of tax- and duty-free concessions.

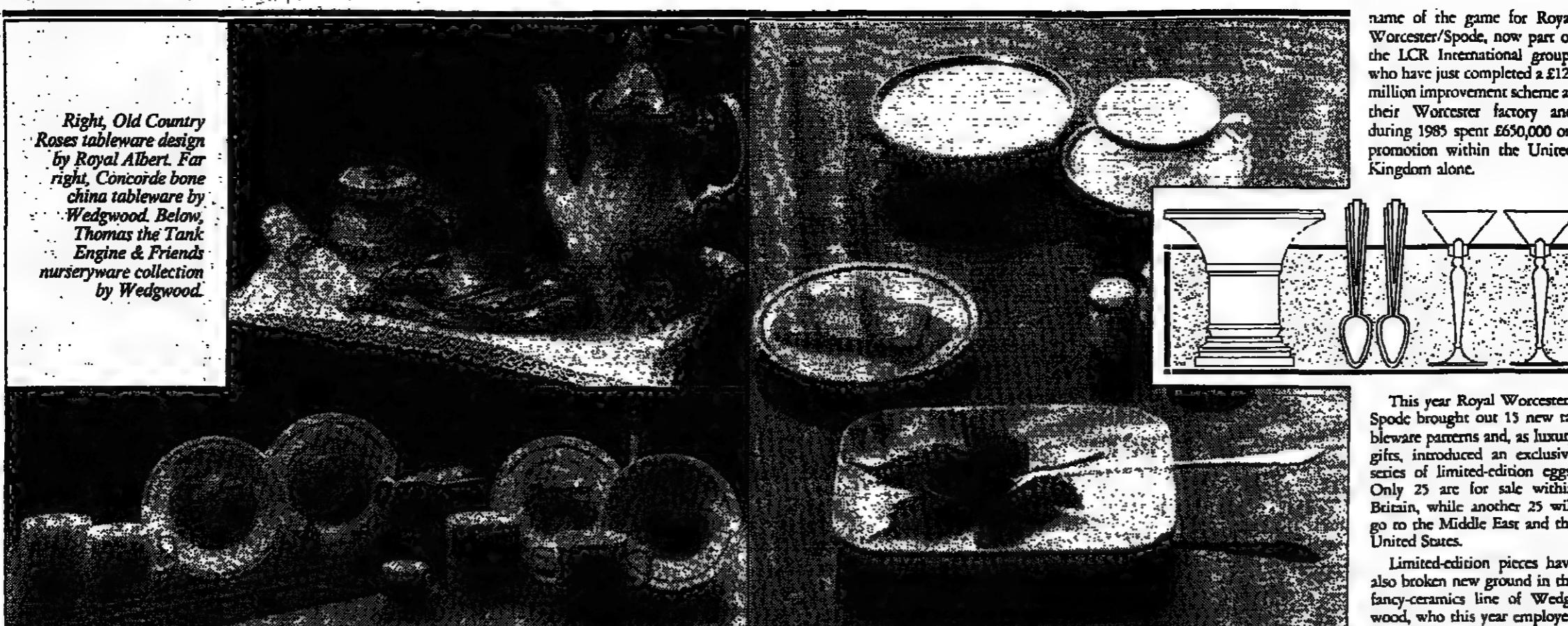
The Royal Doulton group, for instance, reckons that about 3 percent of their total annual turnover of £130 million (\$182 million) is now done in the duty-free sector, which they regard as a major growth area for the late 1980s, while Wedgwood has trebled its duty-free turnover in the last two years.

Sales topping £146 million a year make Wedgwood easily the biggest ceramics concern in Britain, and chairman Sir Arthur Bryan notes that all the group's 15 production plants are now working virtually at full capacity, while a new £3-million factory now nearing completion will be exclusively devoted to hotel and catering ware.

Though most famous for the cameo-decorated jasperware first introduced in 1774, Wedgwood today produces every type of ceramic item, from bathroom washbasins, sold under the Johnson Bros. brand name, to the finest bone china such as the specially designed services used aboard the Concorde.

Recent export orders for this

*Right, Old Country Roses tableware design by Royal Albert. Far right, Concorde bone china tableware by Wedgwood. Below, Thomas the Tank Engine & Friends nurseryware collection by Wedgwood.*



division of Wedgwood include 54,000 items in 13 shapes for Sri Lanka's Air Lanka and a million items in an exclusive hexagonal design featuring the falcon logo to be used in Gulf Air's First and Business Class cabins.

One of the reasons Wedgwood is so successful in securing major overseas catering contracts is their insistence on high performance. The 1985 lines include chinaware guaranteed to be dishwasher, freezer- and microwave-safe.

An interesting example of the way Wedgwood likes to marry hi-tech with tradition are

the designs by Susie Cooper. Cooper, now aged 82, was one of the design revolutionaries of the art-deco era, and the simple shapes and strong colors of the Florida pattern, with its emphasis on oranges and yellows, clearly evoke that period.

Other manufacturers are once again emphasizing more delicate designs, such as Poole Pottery's new Melbury lines with its pale-blue and beige floral patterns.

Watercolor tones are also to be found in Wedgwood's Mason's Ironstone Wareline, a collection offered both as a

traditional six-piece dinner service or a 21-piece tea service.

It can also be bought by the piece, since the habit of buying a complete service all at once is breaking down.

Houses that do big business with the Middle East find that their customers want more plates, cups and saucers in each set. "Dinner services of up to 132 pieces with larger-than-average serving plates are the norm for this market," says a spokesman for the U.K. division of Coming, which exports their Pyrex brand of clear oven-

ware extensively to the Middle East.

Coming reports strong sales to Saudi Arabia, where such sets are popular as take-home gifts for pilgrims who have completed the Hajj.

For overseas sales clear glass is still the first choice, but in the United Kingdom the current trend is to make glass ovenware items look as much as possible like fine china.

Indeed, from a home-fashion point of view, there is a definite swing away from the chunky "peasant" looks favored in the 1970s. Specialists in this type of style, like Denby, are currently revamping lines to produce a more refined appearance.

In ovenware nowadays a mandatory item for British domestic sales is the fluted-edged quiche dish. Similarly, Dartington Glass says that dishes specially designed to hold half avocado pears or single cobs of roasted corn and sold individually boxed are now among the best-selling small wedding gifts on the British domestic market.

Informal eating habits, too,

have produced a massive up-

turn in the sale of mugs, the switch from traditional cup-and-saucer to tall beaker shapes reflecting that the bulk of Britain's under-30s now drink more coffee than tea.

Development is also the

name of the game for Royal Worcester/Spode, now part of the LCR International group, who have just completed a £12-million improvement scheme at their Worcester factory and during 1985 spent £650,000 on promotion within the United Kingdom alone.

This year Royal Worcester/Spode brought out 15 new tableware patterns and, as luxury gifts, introduced an exclusive series of limited-edition eggs. Only 25 are for sale within Britain, while another 25 will go to the Middle East and the United States.

Limited-edition pieces have also broken new ground in the fancy-ceramics line of Wedgwood, who this year employed fashion designer David Shilling to create a series of Ascot Lady figurines. Priced at £99.50 in the United Kingdom, they come in editions of a thousand. They are made and marketed by the Coalport division.

New Line of Exclusive China created by a worldwide known artist, Endre Szász in Hollóháza, Hungary individual hand painted



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Tel.: 036/1/530-511.  
Telex: 22-51-51; 22-51-52.

## The Enduring Appeal of Hummel

One of Germany's most famous exports this year celebrates its 50th anniversary. The product is the popular Hummel figure.

The Hummel figure had its world premiere at the Leipzig Trade Fair in 1935. The charmingly checked porcelain children were an immediate success. Hummel figure number one, a little boy playing a violin to his ear-cockled dog, now has more than 450 companions. Hummel figures can be found at the bases of lamps, in Christmas nativity scenes and on plaques, bells and, since 1971, on a series of annual plates. Childlike an-

gels and Madonna figures have joined the family.

The romantic figurines have found a welcome in many homes, especially in the United States. Each year the town of Eaton, Ohio holds a Hummel Revival, attracting some 50,000 collectors who come to swap, buy and sell.

Eaton is a sister city of Rödental, the small town in the Franconian region of northern Bavaria where the W. Goebel Porcelain Factory produces the Hummel figures. Despite the strong demand, Hummels are still assembled by hand. For the

complicated figures, this involves putting together more than 30 separate parts.

The Hummel is named after Bertha Hummel, who was born in Bavaria in 1909. The signature M.I. Hummel is based on her name after she became a Catholic nun: Sister Maria Innocentia Hummel.

Her drawings and sketches were and remain the inspiration for the figurines and all other Hummel figures.

Showing artistic talent even as a child, Bertha Hummel enrolled in the Munich Academy of Applied Arts at the age of 18. While a student, she became friends with two nuns who were also studying in Munich. After graduating four years later, she entered the convent of the same order as the two nuns, a Franciscan order of teaching nuns based near the Black Forest.

Goebel was then looking for a theme for a new line of figurines. He consulted with his two master sculptors to be sure that the postcard children could be turned into three-dimensional porcelain figurines, and then arranged a licensing agreement with the convent granting his factory the right to make and distribute the adaptations of Sister Maria Innocentia's work.

The convent retained full artistic control. The artist-nun even went to the Goebel factory to oversee the translation of her creations from paper to ceramic. It is because of the standards she set that the Hummels are still made by hand. Even today, 50 years later, when a new figure is created, artists and managers from the Goebel plant take the work to the convent as it is being developed.

Sister Maria Innocentia died in November 1946 at the age of 37. She had been suffering from tuberculosis, but apparently the disease had not properly diagnosed until it was too late.

However, even today, her drawings still serve as the pattern when new Hummel figures are created.

In the production process, each figurine starts as a number of parts (many have 20 such parts and some, as mentioned, as many as 30). Each part is cast individually and then fired together to form a complete figurine. They are then fired — at first at 1,140 degrees centigrade — then glazed, then fired again. The little white figures are now

ready for a more colorful appearance.

Not only are the Hummel figurines painted by hand, the paintbrushes themselves are handmade, with special attention being paid to the fine bristles in each brush.

Painting these figurines takes many steps. Here too, the artist-nun's original drawings serve as the model. The painters at the Goebel plant can dip their brushes into more than 2,000 shades of ceramic paint to produce exactly the right tone. After they are painted, the figurines are glazed and put back in the kiln again, this time at 1,020 degrees centigrade.

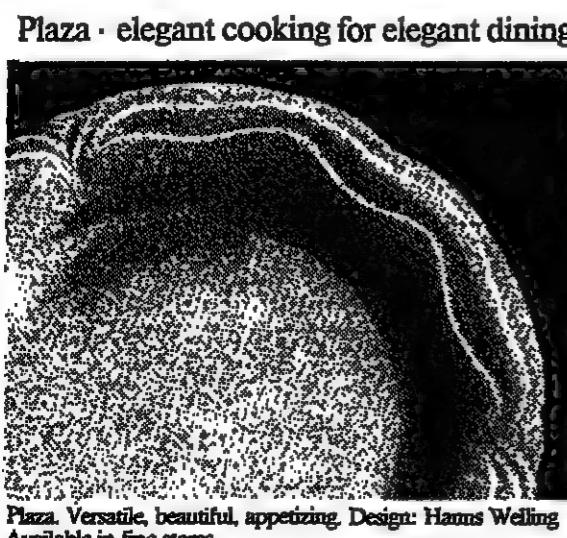
The company insists that the Hummels being made today look exactly like the ones that were turned out years ago as well as those that will be made in the years to come. That, too, is part of the trademark.

Goebel makes more than Hummels. The company started in 1871, producing blackboards, pencils and toy marbles. Soon it was turning out china tableware in its first factory at the base of the Coburg Castle. The son of the founder successfully expanded into foreign markets, with the United States remaining one of the firm's best customers.

The next generation went in so strongly for developing the product range that Max Louis Goebel, the founder's grandson, became known as "Noveltiy Goebel" at the Leipzig Trade Fair.

Many well-known German illustrators have worked on projects for Goebel as the company expanded the variety of its collections. Walt Disney saw his sketches turned into ceramics at Goebel, too.

The Goebel name today can be found on Ma Cuisine cutlery and cast-iron cooking ranges for amateur and professional chefs, a new collection of crystal beer glasses and the Plaza dinner service with a matching set of drinking glasses. Among its many other products the company includes sculptures and reliefs in styles distinctly different from the Hummels. The name "Noveltiy Goebel" still applies, a fact of which the company is proud.



Goebel

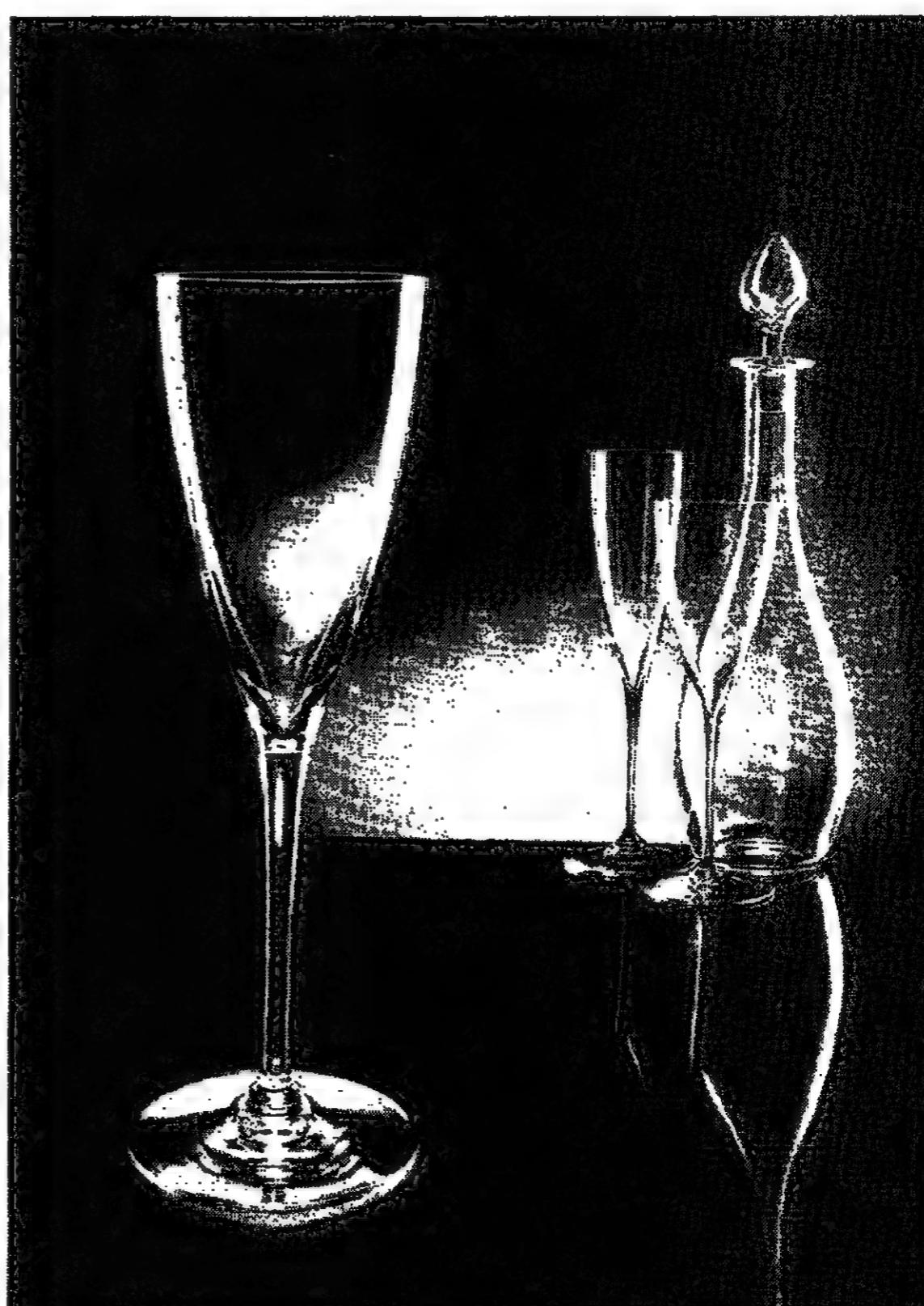
Goebel turns an everyday meal into an occasion.

WORLD OF THE

WORLD



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## Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-422-1277.

Prices may vary according to market conditions and other factors.

### RECENT ISSUES

No. 29

Am. Security	% Mat.	Avg Price	Avg Life Curr.
Am. Corp. Conv. Corp.	100	100.00	100.00
Bridgeman Corp.	95	92.00	111.00
Brown & Root Finance	100	100.00	100.00
Mount Isa Finance	100	100.00	100.00
New Jersey	100	100.00	100.00
North America	100	100.00	100.00
Pittsburgh Corp.	100	100.00	100.00
Pittsburgh Corp.	95	92.00	111.00
Refined Products Inc.	100	100.00	100.00
Reliance Corp.	100	100.00	100.00
Reynolds Corp.	100	100.00	100.00
United Capital Corp.	100	100.00	100.00
United Capital Corp.	95	92.00	111.00
United Capital Corp.	90	88.00	111.00
United Capital Corp.	85	82.00	111.00
United Capital Corp.	80	78.00	111.00
United Capital Corp.	75	75.00	111.00
United Capital Corp.	70	70.00	111.00
United Capital Corp.	65	65.00	111.00
United Capital Corp.	60	60.00	111.00
United Capital Corp.	55	55.00	111.00
United Capital Corp.	50	50.00	111.00
United Capital Corp.	45	45.00	111.00
United Capital Corp.	40	40.00	111.00
United Capital Corp.	35	35.00	111.00
United Capital Corp.	30	30.00	111.00
United Capital Corp.	25	25.00	111.00
United Capital Corp.	20	20.00	111.00
United Capital Corp.	15	15.00	111.00
United Capital Corp.	10	10.00	111.00
United Capital Corp.	5	5.00	111.00
United Capital Corp.	0	0.00	111.00
United Capital Corp.	-5	-5.00	111.00
United Capital Corp.	-10	-10.00	111.00
United Capital Corp.	-15	-15.00	111.00
United Capital Corp.	-20	-20.00	111.00
United Capital Corp.	-25	-25.00	111.00
United Capital Corp.	-30	-30.00	111.00
United Capital Corp.	-35	-35.00	111.00
United Capital Corp.	-40	-40.00	111.00
United Capital Corp.	-45	-45.00	111.00
United Capital Corp.	-50	-50.00	111.00
United Capital Corp.	-55	-55.00	111.00
United Capital Corp.	-60	-60.00	111.00
United Capital Corp.	-65	-65.00	111.00
United Capital Corp.	-70	-70.00	111.00
United Capital Corp.	-75	-75.00	111.00
United Capital Corp.	-80	-80.00	111.00
United Capital Corp.	-85	-85.00	111.00
United Capital Corp.	-90	-90.00	111.00
United Capital Corp.	-95	-95.00	111.00
United Capital Corp.	-100	-100.00	111.00

### STRAIGHT BONDS All Currencies Except DM

Am. Security	% Mat.	Avg Price	Avg Life Curr.
Australia	100	100.00	100.00
Australia	95	100.00	100.00
Australia	90	100.00	100.00
Australia	85	100.00	100.00
Australia	80	100.00	100.00
Australia	75	100.00	100.00
Australia	70	100.00	100.00
Australia	65	100.00	100.00
Australia	60	100.00	100.00
Australia	55	100.00	100.00
Australia	50	100.00	100.00
Australia	45	100.00	100.00
Australia	40	100.00	100.00
Australia	35	100.00	100.00
Australia	30	100.00	100.00
Australia	25	100.00	100.00
Australia	20	100.00	100.00
Australia	15	100.00	100.00
Australia	10	100.00	100.00
Australia	5	100.00	100.00
Australia	0	100.00	100.00
Austria	100	100.00	100.00
Austria	95	100.00	100.00
Austria	90	100.00	100.00
Austria	85	100.00	100.00
Austria	80	100.00	100.00
Austria	75	100.00	100.00
Austria	70	100.00	100.00
Austria	65	100.00	100.00
Austria	60	100.00	100.00
Austria	55	100.00	100.00
Austria	50	100.00	100.00
Austria	45	100.00	100.00
Austria	40	100.00	100.00
Austria	35	100.00	100.00
Austria	30	100.00	100.00
Austria	25	100.00	100.00
Austria	20	100.00	100.00
Austria	15	100.00	100.00
Austria	10	100.00	100.00
Austria	5	100.00	100.00
Austria	0	100.00	100.00
Belgium	100	100.00	100.00
Belgium	95	100.00	100.00
Belgium	90	100.00	100.00
Belgium	85	100.00	100.00
Belgium	80	100.00	100.00
Belgium	75	100.00	100.00
Belgium	70	100.00	100.00
Belgium	65	100.00	100.00
Belgium	60	100.00	100.00
Belgium	55	100.00	100.00
Belgium	50	100.00	100.00
Belgium	45	100.00	100.00
Belgium	40	100.00	100.00
Belgium	35	100.00	100.00
Belgium	30	100.00	100.00
Belgium	25	100.00	100.00
Belgium	20	100.00	100.00
Belgium	15	100.00	100.00
Belgium	10	100.00	100.00
Belgium	5	100.00	100.00
Belgium	0	100.00	100.00
Canada	100	100.00	100.00
Canada	95	100.00	100.00
Canada	90	100.00	100.00
Canada	85	100.00	100.00
Canada	80	100.00	100.00
Canada	75	100.00	100.00
Canada	70	100.00	100.00
Canada	65	100.00	100.00
Canada	60	100.00	100.00
Canada	55	100.00	100.00
Canada	50	100.00	100.00
Canada	45	100.00	100.00
Canada	40	100.00	100.00
Canada	35	100.00	100.00
Canada	30	100.00	100.00
Canada	25	100.00	100.00
Canada	20	100.00	100.00
Canada	15	100.00	100.00
Canada	10	100.00	100.00
Canada	5	100.00	100.00
Canada	0	100.00	100.00
Denmark	100	100.00	100.00
Denmark	95	100.00	100.00
Denmark	90	100.00	100.00
Denmark	85	100.00	100.00
Denmark	80	100.00	100.00
Denmark	75	100.00	100.00
Denmark	70	100.00	100.00
Denmark	65	100.00	100.00
Denmark	60	100.00	100.00
Denmark	55	100.00	100.00
Denmark	50	100.00	100.00
Denmark	45	100.00	100.00
Denmark	40	100.00	100.00
Denmark	35	100.00	100.00
Denmark	30	100.00	100.00
Denmark	25	100.00	100.00
Denmark	20	100.00	100.00
Denmark	15	100.00	100.00
Denmark	10	100.00	100.00
Denmark	5	100.00	100.00
Denmark	0	100.00	100.00
Finland	100	100.00	100.00
Finland	95	100.00	100.00
Finland	90	100.00	100.00
Finland	85	100.00	100.00
Finland	80	100.00	100.00
Finland	75	100.00	100.00
Finland	70	100.00	100.00
Finland	65	100.00	100.00
Finland	60	100.00	100.00
Finland	55	100.00	100.00
Finland	50	100.00	100.00
Finland	45	100.00	100.00
Finland	40	100.00	100.00
Finland	35	100.00	100.00
Finland	30	100.00	100.00

## BUSINESS/FINANCE

MONDAY, DECEMBER 2, 1985

Page 13

## EUROBONDS

## Investors' Faith Is Shaken In U.S. Corporate Issues

By CARL GEWIRTZ

International Herald Tribune

**P**ARIS — U.S. corporate bonds, once the darling of investors in the Eurobond market, are rapidly losing their luster as safe, simple, solid securities. In their place today are sovereign and supranational issuers that traditionally were never regarded as bluer than a blue-chip American corporation.

The reassessment began 17 months ago, when the United States removed the withholding tax on interest income paid to foreign investors—a move that opened the domestic government bond market to international investors.

But recent developments are accelerating the reappraisal. The latest jolt stems from a ruling by a Texas jury fining Texaco \$10.53 billion and the company's subsequent warning that the size of the penalty might drive it to seek protection from creditors under Chapter 11 of the U.S. bankruptcy code.

By themselves, Texaco's legal woes should have no impact other than on its own securities. But coming as it does in a year of wild merger activity marked by sudden sharp credit downgrades, the Texaco debacle is further shaking investor confidence in the security of U.S. corporate debt.

Too often this year investors have awakened to find that the triple-A or double-A bonds they had bought were suddenly less secure and worth less after takeover defense battles or management buyouts that left the companies crippled with a mountain of new debt.

This decline in confidence is measurable, and the data shows it has increased sharply in the past two weeks.

**D**ATA compiled by Salomon Bros. show that in the 12 months through July 1984, when the withholding tax was removed, on 10-year U.S. corporate Eurobonds averaged 39 basis points less than U.S. government paper while yields on supranational issues were 11 basis points above Treasuries. In other words, investors then were willing to accept U.S. corporate Eurobonds at a yield that was 50 basis points, or half a percentage point, lower than the Eurobonds of the World Bank, the European Investment Bank and other supranational institutions.

By the beginning of this year, the 12-month average compiled by Salomon Brothers showed U.S. corporates holding a scant lead of three basis points over supranationals.

By September, that had been reversed. The average yield on 10-year U.S. corporate debt rated double-A or better was 10 to 15 basis points above supranationals and in the past two weeks this has widened further to 30 basis points.

This did not deter U.S. companies from tapping the market last week.

The pricing on the issues for Philip Morris, a single-A credit, indicated no recognition of the declining status of U.S. corporates. The company issued \$300 million of four-year, 9½-percent notes at a price of 100%, and \$200 million of 10-year, 10-percent bonds at a price of 99%.

The terms were generally regarded as far too ungenerous, although not for lead manager Union Bank of Switzerland, which placed the bulk of the issue itself.

By contrast, a double-A rated 10-year issue for Olympia & York Malden Lane Finance carried a coupon of 10% percent and an issue price of 99%.

This issue and \$160-million of 15-year bonds offered by Fisher Brothers Financial Realty are the first real-estate backed bonds in this market.

The bonds are backed by commercial properties in New York and the rental payments provide the income to service the debt. In the event of default, bondholders have no claim on Olympia & York or Fisher Brothers but only title to the property.

Both issues include surety bonds, which give additional protection to bondholders that the cash flow will be sufficient to service the debt. As a result, both issues have been rated double-A by Standard & Poor's.

Nevertheless, because of the complicated novel structure, the bonds were priced generously—30 basis points over comparable Treasury yields for Olympia and, given the longer maturity, 94 basis points over for Fisher. This extra yield on double-A quality

(Continued on Page 15, Col. 1)

## Last Week's Markets

All figures are as of close of trading Friday

## Stock Indexes

United States		Last Wk.	Prev.Wk.	Closes
DJ Industrial	1471.50	1463.00	+1.50%	1471.50
S&P Trans.	109.31	108.94	+1.10%	109.31
S&P 100	195.63	194.00	+0.40%	195.63
S&P 500	202.18	201.52	+0.30%	202.18
NYSE Cr.	116.55	116.30	+0.20%	116.55
Searle/Merrill Lynch Ports				
British				
FTSE 100	1493.50	1450.00	+3.74%	1493.50
FTSE 30	1141.70	1131.90	+0.56%	1141.70
Hong Kong				
Hong Kong	1716.95	1712.00	+0.24%	1716.95
Japan				
Nikkei DJ	1263.30	1259.33	+0.03%	1263.30
West Germany				
Commerzbank	1725.40	1717.40	-2.70%	1725.40

Source: James Clegg &amp; Co., London

## Currency Rates

Cross Rates		Nbr. #	
American	\$2.26	£1.37	Yen 130.50
Britain	56.98	75.49	20.375
Frankfurt	2.92	2.77	22.77
London (L)	1.47	1.34	11.74
Milan	1783.00	2527.00	67.00
New York (C)	0.0711	0.2514	7.64
Paris	724.40	679.00	222.75
Tokyo	204.40	271.26	78.22
Zurich	2.078	2.057	22.15
1 ECU	0.8771	0.8904	2.6350
1 SDR	0.82725	0.82725	1.0000

**Gilbert Dollar Values**

Current per U.S.\$ Current per U.S.\$ Current per U.S.\$ Current per U.S.\$

Arsenal, 1.00 Grecian, 1.00 Mexico, 1.00 Soviet ruble, 0.7442

Australia, 1.4000 Great Britain, 1.0000 Norway, 1.0000 Swiss, 1.0000

Austl. sch., 17.45 Hong Kong, 7.00 P.M., 1.0000 Sweden, 7.645

Bahrain, 5.12 India, rupee, 12.11 Port, escudo, 16.00 Taiwan, 5.375

Canada, 1.3000 Irish, 1.0000 Portugal, 1.0000泰铢, 1.0000

China, 2.2015 Israeli shek, 1.0000 Spain, 1.0000泰铢, 1.0000

Denmark, 1.2255 Kuwaiti dinar, 1.0000 Turkey, 1.0000泰铢, 1.0000

Egypt, pound, 1.255 Motor, 1.0000 S. Afr. rand, 2.6316 DAE shillings, 3.6722

£ Sterling, 1.2722 Irish £ Motor, 1.0000 S. Kor. won, 889.29 Vietnamese, 15.25

Sources: Banque de Bruxelles (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAJI (dollar, rupee, dinar); Gestalt (Ireland). Other data from Reuters and AP.

EUROBONDS

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(Continued on Page 15, Col. 1)

## Woolworth Stakes Its Future on Specialty Shops

## But Risks Exist In Move From Variety Stores

By Isadore Barnash

New York Times Service

**N**EW YORK — Their names are hardly household words. Herald Square Stationers, Frame Scene, The Rx Place, Kids Mart, Athletic Shoe Factory. But if the gamble taken by their parent pays off, they may add huts to a name that is, in fact, known in practically every American household: Woolworth.

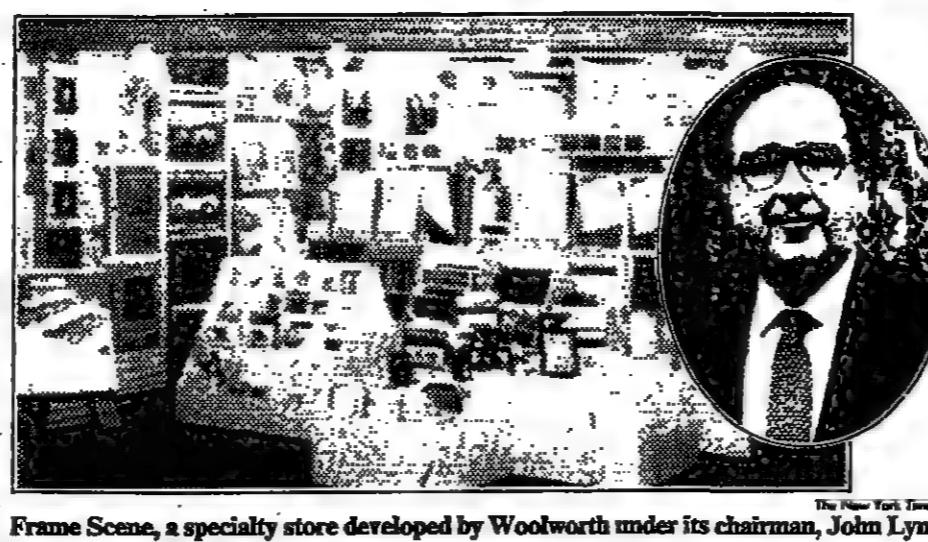
The 106-year-old F.W. Woolworth Co., which runs the largest U.S. chain of variety stores, is staking much of its future on small stores that offer almost no variety at all.

"Very quietly, Woolworth has become one of the retail industry's two or three largest operators of specialty stores," said Stuart M. Robbins, an analyst who covers the company at Donaldson, Lufkin & Jenrette Securities Corp.

Woolworth is not the only variety chain that has been venturing into specialty stores. It is taking the largest strides. It already operates two well-known specialty chains, Kinney Shoe and Richman Brothers men's clothing, as well as some others not so well-known.

Woolworth also has started some specialty stores abroad over the past two years.

By the end of the current fiscal year, it expects to have added 562 new specialty stores since 1982. Its goal by the end of the fiscal



The New York Times

Frame Scene, a specialty store developed by Woolworth under its chairman, John Lynn.

year 1986 is for the specialty stores to produce the bulk of the company's sales and profits.

The strategy—which at Woolworth involves splitting profitable variety-store departments into shops of their own, as well as making specialty acquisitions—is taking shape as available sites for the sprawling variety stores dry up as their costs rise.

"There is a great opportunity in specialty stores because they produce at least a 10-percent higher operating profit than the large stores," said John W. Lynn, Woolworth's chairman and chief executive officer. And, he added, "the specialty store doesn't face the intense discounter competition that the larger stores do."

But Woolworth's big push into specialty shops has its risks. Two previous ventures away from its variety format failed in the United States—Woolco discount outlets and J. Brannam discount apparel stores.

Mr. Lynn insists that the current campaign to open specialty shops, which has already resulted in 14 new groups of stores, is based on some of the company's strengths.

"Our specialty stores focus on products lines in which we've got more than 100 years of experience," he said. "Also there's the close working relationship with suppliers whom we've known for years and our long-term rapport with shopping center developers, which helps us obtain suitable locations very quickly. This, in turn, cuts the time needed to evaluate a new store's results and we can modify our plans accordingly."

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women's accessories. It was started last April with a shop in Columbus, Ohio. Since then, eight more outlets have opened in regional shopping centers and a total of 50 are planned for the United States and Canada by the end of the year.

"Sales are 30 percent above our expectations," Mr. Lynn said. "We hope to have 100 of them if the sales trend continues—they don't cost much to open."

Another startup, Frame Scene, also has opened in Columbus. An outgrowth of several hot departments in the Woolworth variety stores, the shop concentrates on picture frames, posters and mirrors. Two more stores are planned for next year.

A third group, which started last month with stores in Dallas and Jacksonville, Florida, takes its name from Woolworth's long-

(Continued on Page 15

# **Weekly International Bond Prices**

**Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277.**  
**Prices may vary according to market conditions and other factors.**

## **DM STRAIGHT BONDS**

## AUSTRALIA

# NASDAQ National List

OTC consolidated trading for week ended Friday.

## **CONVERTIBLE BONDS**

Arl.	Security	% Mat	Mkt. Price	Conv. Period		Conv. Price/s/sh	Conv. Yrs to Mkt.	Conv.		Arl.	Security	% Mat	Mkt. Price	Conv. Period		Conv. Price/s/sh	Conv. Yrs to Mkt.	
				From	To			From	To					From	To			
70	Alico 25.60	6/19 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Fireside Oil Co 34.04	7/30 Aug	92.50	31 Dec 68	100	22.3/6	35.46	4.48
71	American Coast T-286	6/19 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Ford Int'l Foton 26.45	7/30 Aug	92.50	31 Dec 68	100	22.3/6	35.46	4.48
72	American Int'l	6/19 Mar	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Gatoray Int'l 20.63	7/20 Jun	70	7 May 71	100	19.3/4	44.29	4.47
73	Banca Svizzera (Helle)	7/29 Oct	100	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	General Electric 24.07	7/17 Jun	70	15 July 72	100	40.3/8	26.21	2.57
74	BBC Brown Boveri 3.54	4/10 Jan	72	1 Jul 61	15ee 62	120.40	10/19/41	125	4.40	70	Gillette Comp 14.92	7/17 Dec	70	15 July 72	100	5.38	1.51	1.51
75	BBC Brown Boveri T-286	4/10 Jan	72	1 Jul 61	15ee 62	120.40	10/19/41	125	4.40	70	Gillette Corp 14.92	7/17 Dec	70	15 July 72	100	5.38	1.51	1.51
76	Becton Dickinson 1.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Grace Wt Co 17.45	7/16 Jun	70	15 July 72	100	5.33	1.51	1.51
77	Becton Dickinson 2.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Grace Western 20.20	7/16 Jun	70	20 Dec 72	100	5.26	2.38	2.38
78	Becton Dickinson 3.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Halmatic Power 17.22	7/16 Oct	70	6 May 73	100	5.27	2.44	2.44
79	Becton Dickinson 4.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Hannover Compt 14.67	6/17 Jun	70	15 July 72	100	5.20	2.35	2.35
80	Becton Dickinson 5.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Hanover Financ 22.51	7/16 Jun	70	15 July 72	100	5.22	2.38	2.38
81	Becton Dickinson 6.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Intl Stand Elec 18.20	7/16 Dec	70	20 Dec 72	100	5.22	2.38	2.38
82	Becton Dickinson 7.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Intl Stand Elec 15.45	7/16 Dec	70	20 Dec 72	100	5.21	2.38	2.38
83	Becton Dickinson 8.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Intl Stand Elec 12.74	7/16 Dec	70	20 Dec 72	100	5.20	2.38	2.38
84	Becton Dickinson 9.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Intl Telephone 17.82	7/16 Dec	70	20 Dec 72	100	5.18	2.38	2.38
85	Becton Dickinson 10.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Intercont Hotel 18.88	7/16 Jun	70	15 July 72	100	5.18	2.38	2.38
86	Becton Dickinson 11.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Int'l Search 18.85	7/16 Jun	70	15 July 72	100	5.17	2.38	2.38
87	Becton Dickinson 12.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Kinder-Care 20.57	7/16 Jun	70	15 July 72	100	5.16	2.38	2.38
88	Becton Dickinson 13.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Laser Petrol Loc 11.23	7/16 Jun	70	15 July 72	100	5.15	2.38	2.38
89	Becton Dickinson 14.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Leather Petrol Loc 11.23	7/16 Jun	70	15 July 72	100	5.14	2.38	2.38
90	Becton Dickinson 15.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Lifeline 21.25	7/16 Jun	70	15 July 72	100	5.13	2.38	2.38
91	Becton Dickinson 16.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Lifeline 23.87	7/16 Jun	70	20 Dec 72	100	5.12	2.38	2.38
92	Becton Dickinson 17.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Martinique 24.10	7/16 Jun	70	15 July 72	100	5.10	2.38	2.38
93	Becton Dickinson 18.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Massachusetts Avon 31.01	7/16 Jul	70	15 July 72	100	5.09	2.38	2.38
94	Becton Dickinson 19.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Massachusetts Avon 31.01	7/16 Jul	70	20 Dec 72	100	5.08	2.38	2.38
95	Becton Dickinson 20.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Mid Capital Co 12.28	7/16 Dec	70	15 July 72	100	5.07	2.38	2.38
96	Becton Dickinson 21.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Mid Int'l Fin 2.57	7/16 Dec	70	15 July 72	100	5.06	2.38	2.38
97	Becton Dickinson 22.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Mid Int'l Fin 17.25	7/16 Dec	70	15 July 72	100	5.05	2.38	2.38
98	Becton Dickinson 23.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Morgan Bank 24.45	7/16 Jun	70	15 July 72	100	5.04	2.38	2.38
99	Becton Dickinson 24.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Morgan Corp 22.27	7/16 Jun	70	15 July 72	100	5.03	2.38	2.38
100	Becton Dickinson 25.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Northeast Marine 14.34	7/16 Jun	70	15 July 72	100	5.02	2.38	2.38
101	Becton Dickinson 26.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Northern Telecom 23.71	7/16 Jun	70	15 July 72	100	5.01	2.38	2.38
102	Becton Dickinson 27.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Pacesetter 21.01	7/16 Jun	70	15 July 72	100	5.00	2.38	2.38
103	Becton Dickinson 28.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Pacific Corp 17.47	7/16 Jun	70	15 July 72	100	4.99	2.38	2.38
104	Becton Dickinson 29.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.98	2.38	2.38
105	Becton Dickinson 30.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.97	2.38	2.38
106	Becton Dickinson 31.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.96	2.38	2.38
107	Becton Dickinson 32.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.95	2.38	2.38
108	Becton Dickinson 33.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.94	2.38	2.38
109	Becton Dickinson 34.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.93	2.38	2.38
110	Becton Dickinson 35.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.92	2.38	2.38
111	Becton Dickinson 36.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.91	2.38	2.38
112	Becton Dickinson 37.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.90	2.38	2.38
113	Becton Dickinson 38.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.89	2.38	2.38
114	Becton Dickinson 39.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.88	2.38	2.38
115	Becton Dickinson 40.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.87	2.38	2.38
116	Becton Dickinson 41.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.86	2.38	2.38
117	Becton Dickinson 42.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.85	2.38	2.38
118	Becton Dickinson 43.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.84	2.38	2.38
119	Becton Dickinson 44.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.83	2.38	2.38
120	Becton Dickinson 45.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.82	2.38	2.38
121	Becton Dickinson 46.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.81	2.38	2.38
122	Becton Dickinson 47.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.80	2.38	2.38
123	Becton Dickinson 48.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.79	2.38	2.38
124	Becton Dickinson 49.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.78	2.38	2.38
125	Becton Dickinson 50.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.77	2.38	2.38
126	Becton Dickinson 51.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.76	2.38	2.38
127	Becton Dickinson 52.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.75	2.38	2.38
128	Becton Dickinson 53.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.74	2.38	2.38
129	Becton Dickinson 54.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4.40	70	Panhandle Eastern 24.22	7/16 Jun	70	15 July 72	100	4.73	2.38	2.38
130	Becton Dickinson 55.52	5/15 Jan	125	15ee 62	15ee 62	120.40	10/19/41	125	4									

**HIGHEST CURRENT YIELDS**  
On convertibles having a conversion premium  
of less than 10%.

	Benefit Plan	10% 14% 18%	12%	15% 18% 21%	Maturity	3.24-5.05 5.05-7.57 5.55-7.00	2010
200	BeneFit Plan 27-31						
T3	Massachusetts Mass 2000	8.4% 7.4% 6.4%	9.5%	10.5% 9.5% 8.5%	maturity	5.05-7.57	5.75
55	South Calif Est 6128	12.5% 11.7% 11.0%	14.8% 13.7% 12.8%	17.0% 15.7% 14.8%	maturity	5.55-7.00	5.75

### Explanation of Symbols

<b>CMS</b>	Canadian Dollar	<b>SDR</b>	Special Drawing Rights
<b>ECU</b>	European Currency Unit	<b>Ven</b>	Venezuela
<b>EUA</b>	European Unit of Account	<b>LPR</b>	Latin American Monetary Reserves

53	Electron Industries 20.65	1984 15 Dec	\$5	15 July 85	maturity	1.21/2	L	Pound Sterling	SFR	Swiss Franc
54	Enterix Int'l 26.21	1984 15 Oct	\$5	7 Aug 81	maturity	5.39/40	DAF	Danish Krone	FF	French Franc
55	Featers Control 21.14	5 192 May	\$5	15 Dec 73	maturity	8.47/14	DMO	Norwegian Krone	DM	French Franc

## New Eurobond Issues

Compiled by Laurence Desveilles from information supplied by European bond traders.

Issuer	Amount (millions)	Maturity	Coupl. %	Price and week	Terms
<b>FLOATING RATE NOTES</b>					
Indy	\$350	2000	100	99.55	Interest pegged to 6-month euro note rate for Eurobonds. Redemable at par in 1992. Fees 0.50%. Denominations \$10,000.
Banque Française du Commerce Extérieur	\$270	1996	0.04	100.05	Over 3-month Libor. Callable at par in 1987. Also 300,000 five-year warrants exercisable at 90 to 100% bond due 1996. Warrants paid at \$100 each paying 94% interest, ended the week at \$110. Fees 0.12%.
Marine Midland Banks	\$200	2000	1/16	100	99.30
Morgan J.P.	\$200	1997	0.05	100.10	Over 3-month Libor. Callable at par in 1998. Redemable at 90 to 100% in cash or in stock. Fees 0.20%. Denominations \$10,000.
Thailand	\$300	2005	16	100	99.65
Citicorp Finance	\$150	1997	0.10	100	99.78
DG Finance	DM 300	1996	14	100	99.70
<b>FIXED-COUPON</b>					
Fisher Brothers Financial Realty	\$160	2000	10%	99%	97.38 Callable at 101% in 1996. Collateralized by property.
McDonald's	\$100	1993	10	101%	99.40 Callable at par in 1990. After 100,000 warrants priced at 90 to 100% bond, exercisable into an identical, noncallable bond. Interest can be bought with warrants plus bond during the first four years, then with warrants and cash. Warrants ended the week at \$22.
Olympia & York Mortgaged Lane Finance	\$200	1995	10%	99%	98.25 Callable at 101 in 1992. Collateralized by property.
Philip Morris	\$300	1989	9%	100%	99.48 Noncallable.
Philip Morris	\$200	1995	10	99%	98.13 Callable at 101 in 1992.
AMCA Overseas Finance	DM 150	1992	7%	99%	— Noncallable.
BHP Bank Finance	DM 100	1991	6%	100	100.13 Noncallable. Also 100,000 one-year warrants exercisable at 90 to 100% bond due 1991.
Hoesch Int'l Finance	DM 100	1995	7	99%	97.63 Noncallable.
Société Luxembourgeoise de Centrales Nucléaires	DM 150	1995	7	100	— Callable at 101 in 1993.
Pechiney	Fr 500	1991	10%	99%	98.88 Noncallable.
General Motors Acceptance Corp.	LT 75,000	1990	13%	100	97.88 Noncallable.
Copenhagen	ECU 40	1995	9	100%	99.25 Callable at 101 in 1991. Sinking fund to produce an 8-year average life.
European Investment Bank	ECU 40	1990	8%	99%	99.38 Noncallable.
European Investment Bank	ECU 60	1992	8%	100	99.00 Callable at 100% in 1990. Purchase fund to operate in 1986 and 1987.
Heron Int'l Finance	ECU 60	1997	9%	100	98.13 Callable and redeemable at par in 1992 when new terms may be set.
Walt Disney Productions	ECU 62.5	1994	8%	100%	99.50 Noncallable. Sinking fund to start operating in 1990.
Montreal Trustco	CS 65	1998	10%	100	98.25 Noncallable.
Nikko Securities	¥ 12,000	1995	8%	101%	99.63 Noncallable. Redeemable at maturity at 179.50 yen per dollar for a total of \$66.9 million.
Nordic Investment Bank	¥ 20,000	1992	7	101%	101 Noncallable.
Student Loan Marketing Association	¥ 20,000	1995	8	101%	— Noncallable. Redeemable at maturity at 181 yen per dollar for a total of \$110.5 million.
Société Nationale des Chemins de Fer	¥ 20,200	1995	8	101%	— Noncallable. Redeemable at maturity at 182 yen per dollar for a total of \$111 million.
Swedish Export Credit	Y 20,000	1995	8	101%	— Noncallable.
Olivetti Holdings	NCs 50	1991	18	101	99.13 Noncallable.
<b>EQUITY-LINKED</b>					
Ajinomoto	\$ 90	1990	open	100	102.50 Coupon indicated at 5%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares or an expected 20% premium. Terms to be set Dec. 3. \$60 million issued in Europe and \$30 million issued in Asia.
CSR Finance	\$100	1995	7%	100	99.25 Noncallable. Each \$5,000 note with 17 warrants each exercisable into 100 of company's shares at Aus\$ 3.80 per share.
Gutze	\$ 25	1990	5%	100	101.00 Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at 631 yen per share or at 20240 yen per dollar.
Copenhagen Handelsbank	DM 100	1992	5%	105	— Noncallable. Each 1,000-mark note with 2 five-year warrants exercisable into bank's shares or 325 Danish kroner per share.
Daiichi Kanko	DM 120	1991	open	100	— Coupon indicated at 24%. Noncallable. Convertible or an expected 5% premium. Terms to be set Dec. 6.
Nintendo Camera	DM 150	1994	2%	100	102.00 Semiannually. Callable at 101% in 1991. Convertible at 1,105 yen per share and at 79.37 yen per mark.

## U.S. Corporate Issues Lose Appeal

(Continued from Page 13)

as designed to appeal to institutional investors, who are most sensitive to such windfalls.

The issuers could afford to pay such generous terms because the ill-cost of financing was still significantly cheaper than they could get through conventional mortgage financing.

The other innovation of the week was the first-ever income warrant, issued on behalf of Banque Française du Commerce Extérieur. Normally, warrants to buy bonds are issued at a low price, around \$20, aimed at appealing to speculators who hope that interest rates drop so that the warrant will soar in value as the fixed-coupon bond it buys also increases. But the warrant also increases its income.

The BFCE warrants were designed to appeal to long-term investors looking for an insurance policy to cash in if interest rates drop, rather than for a lottery ticket. The warrants were priced steeply, at \$100 each. But they bear an annual income of 9% percent. The two-year warrants give holders the

right to buy \$300 million of 9%-percent bonds maturing in 1996 at a discount of 10 percent, meaning an investor needs to put up only \$900 to buy a bond nominally worth \$1,000.

The income on the warrant and the discounted exercise price are designed to put a floor on the value of the warrant. The income assures a high running yield if the price of the warrant were to fall below \$100. At \$97, for example, the paper would yield almost 10 percent.

Meanwhile, the discount exercise price increases in value each year. Paying 90 percent of par to buy a 9%-percent, 10-year bond produces a yield of 11.48 percent; in five years' time, paying to buy a five-year bond produces a yield of 12.56 percent. Thus, interest rates could rise over the five-year life of the warrant and the option could still be in the money, as the exercise yield on the bond rises as the future shortens.

The warrants ended the week at \$110 and the FRN at 99.55, 10 basis points below the offering price but still within the front-end fee of 12 basis points.

## Woolworth Narrows Focus to Specialty Shops

(Continued from Page 13)

ime stationery brand, Herald Square. A bit larger than the other specialty shops, the outlets sell up-rated stationery, greeting cards, office supplies and gift wraps.

In Place, Woolworth's entry into the growing discount drugstore field, recently opened its first two outlets in the Philadelphia area.

In Canada, Woolworth has opened women's and men's apparel shops such as Activewear, Sportswear and Randy River. In West Germany, it has a convenience store called Beach Shops and two apparel stores, Krone Mode and Fun & Fashion. In addition, the company acquired Robinson's, a Canadian apparel and cosmetics chain that had gone bankrupt.

"In about six months, we've al-

most recovered our investment in that company," Mr. Lynn said.

At the same time, it has made some domestic acquisitions — Little Folks, a California-based children's wear chain that includes Kids Mart, a discount children's apparel chain with stores also in Canada; and Athlete's Footwear, a footwear retailer.

"We are in a testing stage with all of the startup stores," Mr. Lynn said. "Will they all succeed? I don't know, but several have already shown their worth and we are going to expand them."

Industry analysts are generally positive about the planned expansion, though some are more optimistic than others. "It's building on their traditional strengths, and that makes sense," said Mr. Robbins of Donaldson, Lufkin, who described

## Investment From Abroad Drives Up Bond Prices

By Michael Quint  
*New York Times Service*

NEW YORK — Good demand from foreign investors over the Thanksgiving holiday in the United States has helped raise prices of Treasury notes and bonds by as much as a half-point.

Although trading was very light and domestic investors were not active, securities dealers said the

## EUROPEAN COMMUNITY

## Pollution-Control Plans Aim at Asbestos, Autos

By Steven J. Dryden  
*International Herald Tribune*

BRUSSELS — The executive Commission of the European Community is preparing new initiatives to tighten environmental standards, as it attempts to sustain advances made earlier this year.

The commission released a proposal last week that would strengthen existing controls on asbestos, a potentially harmful substance often used in building materials. The proposal is to be considered by the Council of Ministers.

A commission statement said it was not possible to identify the level of exposure to asbestos below which it is believed no harm is caused.

Therefore, the statement said, "contamination must be prevented by reducing emissions from all sources as much as possible, using the best technology without entailing excessive costs."

The proposal would control asbestos by fixing levels of emissions into air and water, and provisions concerning the use of asbestos, the demolition of buildings and disposal of asbestos waste.

The commission is also preparing a proposal harmonizing speed

limits in the community, as a first step toward their eventual reduction.

The move is aimed at lowering the pollution from car exhausts, although West Germany contests the scientific validity of the connection between speed and pollution.

Stanley Clinton Davis, the EC environment commissioner, has criticized the West German government's attitude on this point, given its otherwise strong support for tighter exhaust pollution standards.

In a related development, at a meeting of environment ministers last week, the commission failed to persuade Denmark to drop its demand for more pollution standards stricter than those accepted by the other member states in June.

Greece also qualified its support for the standards at the meeting.

Mr. Clinton Davis criticized Denmark for blocking a clear environmental gain for other states and itself, a commission spokesman said.

Ford has taken legal action against the producers for violation of British copyright law.

Commission sources said their challenge was an important test of competition policy in several respects, including the question of how industrial design can be shielded by intellectual property rights without abusing monopoly power.

Both he and Mr. Matutes will take up their new offices in January.

rejected by Felipe González, the Socialist prime minister.

The suggested nomination of Mr. Robles Piquer had come under criticism because of his association with the Franco regime.

Mr. Matutes, 44, is a native of Ibiza, and an economist and lawyer by training. He serves as a deputy in the Cortes, the Spanish parliament.

Manuel Marín, the Spanish secretary of state for EC Affairs, is the government's choice for the other Spanish position on the commission.

Inflation in Italy Rose To 8.6% in November

*Agence France-Presse*

ROME — Inflation in Italy at the end of November was an annual rate of 8.6 percent, up from 8.5 percent in October, the central statistical institute reported Saturday.

The institute said that prices rose by 0.7 percent in November after a 1.2-percent increase in October, when a major factor was the 1.1-percent jump in clothing prices.

## 'Bondaid' Appeal To Help Children

*International Herald Tribune*

PARIS — City of London financial institutions were solicited over the weekend to purchase, by way of donation, Bondaid Certificates whose proceeds will go to the Save the Children Fund charity.

Donations of \$30,000, \$20,000, \$10,000 or \$5,000 are requested. Payments are to be made to National Westminster Bank, 41 Lothbury, London, for the account of Save the Children Fund Bondaid Appeal, account number 140-2-0196/10/20.

The telecast appeal message noted recent natural catastrophes in the world and said,

"This will be the international financial community's opportunity to show their concern and goodwill."

## Last Week's NYSE

### NYSE Most Actives

Vol.	High	Low	Last	Chg.
Tesco	20,623	244	239	+13
Amoco	12,223	479	476	-29
PSWEG	7,623	214	205	-20
Unilever	7,500	214	205	-15
Hindustan	6,748	205	202	-12
Texaco	3,752	158	154	-12
Water	3,663	464	459	-11
TWA	3,578	229	228	-10
Worms	3,522	154	152	-10
Motorola	3,161	228	219	+29
Boeing	2,989	227	226	+28
Schindler	2,973	27	27	+27







## SPORTS

## Faust Is Routed in Finale As Miami Hands the Irish Worst Defeat in 41 Years

**New York Times Service**  
MIAMI — The University of Miami, already assured of a berth in the Sugar Bowl, finished its year in crushing style Saturday, scoring nearly every time they had the ball. The Hurricanes ended George Faust's five-year tenure as coach.

### COLLEGE FOOTBALL

Notre Dame with the Fighting Irish's worst loss in 41 years, and fourth-worst in the school's history. The score was 58-7.

That gave the Irish a 5-6 record, the same as Faust posted in his first season, and gave the former high school coach a 30-26 mark at Notre Dame.

"It just didn't work out the way I wanted," Faust said, according to the Associated Press. "My feelings are for the players more than anything. You have to bleed for them a little."

For the Hurricanes, the victory was their 10th straight after a loss in their opening game. It gave them a 10-1 record, and enhanced their chances of winning the national championship with a victory over Tennessee in the Sugar Bowl if the presently top-ranked Penn State, loses to Oklahoma in the Orange Bowl game — and if Miami gets a little luck in the polls.

The Hurricanes scored on eight of their 10 possessions and on a sum of an interception and a sacked punt. Vinny Testaverde, Jim's junior quarterback, completed 22 of 32 passes for 356 yards and two touchdowns.

The Hurricanes were having one of this sentimental season behalf of Faust. They scored on all of their five first-half possessions — and one of Notre Dame's to lead by 27-7 at the intermission.

From the start, the Miami offense seemed to do just about anything it wanted, and only an occasional dropped pass or missed kick marred the Hurricanes' play in the early stages. In the first half they outgained the Irish, 243 yards to 180, as Testaverde completed 13 of 20 passes for 183 yards.

Miami opened the scoring with a yard goal by Greg Cox, during a 68-yard drive. The Irish had the ball for 45 seconds, long enough to run three plays and the Hurricanes regained possession at their 45. This time, they edged five plays, increasing their

lead to 10-0 on Testaverde's six-yard scoring pass to halfback Warren Williams.

The Irish held the ball a little longer after the next kickoff, but with no better results. They again had to punt and the Hurricanes moved from their 41 to the Notre Dame 29; Cox soon kicked a 47-yard field goal to make it 13-0.

Then the Irish seemed to settle down, moving from their 20 and crossing midfield for the first time on a 21-yard pass from Steve Beuerlein to Tony Eason. But on the next play, Beuerlein tried to throw a screen pass to running back Allen Finkin as the Hurricanes blitzed. The Irish picked up the blitz, but Miami's free safety, Dennis Blades, picked off the pass and returned it 61 yards for a touchdown, sloping only to give a high-five hand slap to strong safety Selwyn Brown near the five-yard line.

With the score 20-0, Faust substituted for the entire offense, with Terry Andrysiak at quarterback.

The new players, later joined by Pinkett, responded with an 80-yard drive that ended with a 74-yard dash with 5:57 left. Amun's Bo Jackson, the leading Heisman Trophy candidate, celebrated his 23rd birthday by rushing 31 times for 142 yards and two touchdowns.

Auburn had taken a 22-2 lead on Reggie Ware's one-yard run with 57 seconds left, but quarterback Mike Shula then led Alabama to the Auburn 35, putting Tiffin in field goal range.

Tennessee 30, Vanderbilt 0: In Knoxville, Tennessee, the Volunteers won their first SEC title since 1969 and their first Sugar Bowl berth since 1971 as Dickey Dooley passed for 318 yards and three touchdowns. Tennessee and Florida each finished with 5-1 conference records, but Florida, the only team to beat Tennessee, is on probation for recruiting violations.

Georgia Tech 20, Georgia 16: In Atlanta, Gary Lee rebounded a kick-off return by a three-yard run on an ice-covered field and Tim Lashier kicked two field goals as the second-ranked Sooners won the Big Eight Conference game.

Alabama 25, Auburn 23: In Birmingham, Alabama, Van Tiffin's fourth field goal of the Southeast Conference game, a 52-yarder into the wind with no time left to play, gave the Crimson Tide its victory in a near-square-in pattern in the end zone to push the lead to 27-7.

The Irish second-teachers got another chance to score, but after Andrysiak was sacked twice for losses of 10 yards, they had to settle for a 49-yard field goal try. John Cox's kick went wide to the left.

In other top games, United Press International reported:

Oklahoma 13, Oklahoma State 6: In Stillwater, Spencer Tillman scored with a three-yard run on an ice-covered field and Tim Lashier kicked two field goals as the second-ranked Sooners won the Big Eight Conference game.

Arkansas 25, Auburn 23: In Bir-

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fourth field goal of the Southeast

Conference game, a 52-yarder into

the wind with no time left to play,

gave the Crimson Tide its victory in



Brett Perriman was knocked head over heels, but the Miami receiver held on to the ball to set up a second-quarter score.

another contest between intrastate rivals. Alabama's freshman running back, Gene Kelly, gained 192 yards and made it 22-17 on a 74-yard dash with 5:57 left. Amun's Bo Jackson, the leading Heisman Trophy candidate, celebrated his 23rd birthday by rushing 31 times for 142 yards and two touchdowns.

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## World Cup Official Proposes Cash Prizes for Top Finishers

United Press International

SESTRIERE, Italy — A proposal to offer prize money to top finishers of World Cup ski races was voiced publicly for the first time by the competition's founder, Sege Lang, on Saturday, the day before the start of the cup's winter season.

"This is a matter I've brought up for discussion," said Lang, who created the circuit 20 years ago.

"It's my opinion that we should offer prize money. All the coaches and racers are for it. Why work with illusions?"

Lang's proposal, which would need the approval of the International Ski Federation (FIS), has been circulating privately for months.

"I don't know how much money we're talking about," said Lang. "Maybe a company could give a prize of \$100,000 to the winner of the most conservative of all sports [track and field] and turn it into a modern sport, then we in ski racing should be able to do the same," he said. Nebioli heads the International Amateur Athletics Federation.

Lang said the proposal could possibly be approved when the FIS meets for its annual spring session.

He also said officials are considering a change in the circuit's format, in which 49 men's races and 38 women's events on three continents are scheduled this season. "It would be based on earning the right to race," he said. "Maybe the 60 best ski racers in the world at any given time would race World Cup. The others would drop off to a lower circuit and earn points to get into the World Cup."

The proposal, patterned after the grand prix system in tennis, has been proposed to FIS, Lang said.

"It's time for a change in World Cup. We have a good structure but we need to strengthen it. A complete format change would be good for ski racing."

prize money through its season-long grand prix series. "I think if Primo Nebioli can create interest in the most conservative of all sports [track and field] and turn it into a modern sport, then we in ski racing should be able to do the same," he said. Nebioli heads the International Amateur Athletics Federation.

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## Evert, Navratilova Advance; Shriver Ousted

Compiled by Our Staff From Dispatches

MELBOURNE — Top-seeded Chris Evert Lloyd and the No. 2 seed, Martina Navratilova, moved into the women's final 16 of the Australian Open tennis championships Sunday. But the fourth-ranked woman, Pam Shriver, also

Bulgaria, who earlier defeated her sister, Katerina, 6-2, 6-1. Navratilova overwhelmed the unseeded Anna Hobbs of England, 6-3, 6-1. In addition to Lindqvist's 3-6, 6-3, 6-2 upset of Shriver, compatriot Stefan Edberg beat Matt Anger of the United States, 5-7, 7-6 (9-7), 6-4, 7-5, and the defending champion, Mats Wilander of Sweden, took to the center court for the first time and oustled Leif Shiras of the United States, 6-2, 6-3, 6-2.

The center court had a spillover crowd of 9,400 as officials allowed spectators to sit on the second center court. Ambulance teams treated 23 persons for heat exhaustion.

On Saturday, John Krick continued his bid for a third men's singles title at the open when he overpowered Peter Doohan of Australia in a heated third-round match.

A record seventh-day crowd, put at more than 13,800, packed the Kooyong complex Sunday to watch under a blistering sun and in a haze of cottonol birds of thistle down that were blown in from surrounding paraparks and affected the players' concentration, particularly on their service windups.

Evert took just 60 minutes to beat Diane Bales特 of Australia, 6-4, 6-1, 6-1, and move on to a Tuesday match against Mammela Maleeva of

"I thought I played and moved well, and I appreciated the sunny weather," Evert said. "It reminded me of my hometown in Florida, but those fluffy little things dropping out of the sky upset me and all the other players as well."

Hana Mandlikova of Czechoslovakia, the women's No. 3 seed, stopped Wendy Turnbull of Australia, 6-3, 6-4, and fifth-seeded Claudia Kohde-Kilsch of West Germany eliminated Jo Durie of the United States, 6-2, 6-3, 6-2.

The 10-ranked Lindqvist, 22, came back from being down 3-6, 1-3 and 15-30 on Shriver's serve for her upset. She reeled off 10 straight games to lead, 5-0, in the final set, but Shriver rallied to 2-5, saving two match points in the process, before again dropping her serve.

McNamee continually sauntered around the court trying to get his game together and had wandered near to the backdrop when Odzor, serving at 40-0 in the sixth game of the second set, ached the former Wimbledon champion with a gentle underarm lob.

McNamee simply dropped his head, but from then on discarded his nonchalant attitude and produced some magnificent shots. In

the fourth round he will meet Henri Leconte of France, the 13th seed, who beat the unseeded John Sadri of the United States, 7-

## LANGUAGE

*A Nasal Engagement*

By William Safire

**WASHINGTON** — How do you sound when your nose is stuffed up?

In a recent piece about *coryza*, *catharr*, *sniffles*, *gripe* and *fitu* (Jacques Barzin, who thinks *Coryza* would be a lovely name for a girl, adds *snots* to the list of words we use to avoid *common cold*), I concluded with this muffled message: "I got a code id da node and ub gonna be."

That spelling — that series of represented sounds, to be precise — was in error. "As any speech teacher could tell you," writes Robert N. Williams of New York, "the problem with speaking when you have a cold in the head is usually that the nasal passages are stopped up. This congestion prevents the normal pronunciation only of the three English consonants that are made through the nose: the nasals as in 'some,' as in 'sun' and 'ng' as in 'sing' or 'rang.'"

"These three sounds," he sniffs, "will most often change, when the nasal passages are blocked, into those voiced plioses made with the same articulatory adjustments. Thus *m* will become *b*, *n* will become *d* and *ng* will become *g*. You can easily check this by holding your nostrils closed as you say the sentence."

I am conducting that experiment even as I write this, and my correspondent is correct.

"The other sounds of English speech," instructs Williams, "though their resonance may be dulled and dampened in some cases, will not usually change in nearly such marked degree as the nasal consonants. Possibly the discomforts of a cold could leave one unable to make the effort needed to speak as clearly as usual, and could result in your 'code' for 'cold,' or in the lethargic substitution of *d* for

**Roudy Football Fans Ejected by U.S. Airline**

The Associated Press

**CHICAGO** — United Airlines canceled a flight for 147 passengers after more than 50 Chicago Bears fans, traveling to Florida for a Monday night football game, passed around liquor and refused to take their seats before takeoff, authorities said. Three people were charged with disorderly conduct.

the voiced *th* that you have indicated for the 't' But such pronunciations as these are as likely to result from carelessness slurring as from the physical effect of a head cold."

What then would be the proper way to write the words "I got a cold in the nose and I'm going to bed" if you want to accurately record the sounds of a runny-nosed, watery, chill-suffering speaker?

The prescription's description: "got a cold id da node and ub gonna be."

The Lexicographic Irregular, who does not make house calls, adds an alternative to *gudda*, namely *go-ig*. Let's add noses and try that — yes, *go-ig* is a far more graphic depiction of the sound.

**W**HEN you come up with a zingy locution that will astound your friends and confound your enemies — go for it!

Too many excellent coinages or puns are lost to the English language because creative minds are shy or excessively modest. One way out of the bashfulness bind is taken by Roxanne L. Ridgway, assistant secretary of state for European and Canadian affairs, who sends her briefings with "if you will," an elliptical form of pre-emptive apology, now often replaced with "gimme a break."

Others in the self-effacing Bashfulness Brigade send their offerings to me. They will not take the leap without help, and rely on my addition to wordplay to suit to it that their frissons go rolling along.

For example, Dr. Lawrence A. Dworkin of Portland, Oregon, was explaining the latest medical technical jargon on the subject of coronary artery bypass grafts, which most of us call "triple bypass heart surgery."

"In accordance with my profession's love of tease acronyms," writes Dworkin in The Arizona Daily Star, reporting a study that warns: "Without major planning initiatives, there is a very good chance that Tucson of 1995 will be termed a disaster in terms of population, traffic and water."

"Sometimes a CABG will fail," the doctor notes sadly, "becoming totally occluded by blood clot. I have thought of referring to this as a 'stuffed cabbage,' but lacked the

mojo to do it."

The city sprawls relentlessly outward, and where once the desert crept up in silent communication, it now retreats before the bulldozer's thrust. Resort homes spring up overnight; housing

units displace the palo verde trees; shopping centers crush the hardy creosote plants that make the desert smell deceptively like rain.

At times it seems the city will march north over the Santa Catalina Mountains like the elephants of Hannibal to couple with Phoenix, two hours away but marching steadily southward.

For the arts community in Tucson, the growth is a particular anomaly. Artists draw inspiration from the desert, rapidly being overrun, but the bulls are paid by the people who come here, live and buy their works.

"First it's the artists, then it's the lawyers, then it's the developers," said Barbara Grygutis, a ceramics sculptor who is gaining a reputation for spare, monumental pieces that reflect the tones and rhythms of the desert.

She is talking of a rundown area, downtown loosely called Congress Street, after its central thoroughfare. Because of an influx of artists and artisans taking advantage of the low rents, the area is becoming fashionable, with the result that rents are going up.

There is a movement afoot to

decide the area an arts district, which most of its inhabitants support, but with some trepidation

as they will find themselves priced out of a neighborhood they helped create.

For two Congress Street artisans, Tom Philibear and B. W. Carlson, central figures in the city's growing cadre of glassblowers, the boom is a blessing. Their landlord bought out their lease and, as a result, they are designing a 4,000 square-foot work space and showroom of their own.

Now they work at furnaces a few miles from their showroom, packaging the glassblower's art, plucking molten glass from the furnace, twirling, shaping, adding, blowing, reheating, always in motion.

The two men say they draw their designs from such events as the Perseid shower that light the evening sky in August, from monoliths and obelisks, even from the sea. But the desert is important.

"That's what we have in Arizona," she said. "Two planes, vertical and horizontal."

The piece was commissioned for the courtyard of a new Radisson Suite Hotel in Tucson, a modern piece choreographed by Yoshinori Endo of the Star Dancers.

"This is their first experience with modern dance, but as classic dancers, they are world-class," says Endo, who began dancing 32 years ago when he was 18. "They're extremely well-trained and catch on quickly."

"Watching their moves you

wouldn't imagine China had a 10-year gap in ballet training," Endo says as Li lifts his partner high off the dance floor.

The two Chinese dancers arrived

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